



**Statements
from a
forward-
looking
company**

THE OPTIONS CLEARING CORPORATION 2010 ANNUAL REPORT

Statements from a forward-looking company are different than the forward-looking statements you may be used to reading in an annual report.

Instead of disclaimers for lofty predictions of what might happen in the future, our statements are facts. They're accomplishments and milestones that actually happened during 2010. These are statements that no other organization in our business can make. These are statements that can only be made by a forward-looking organization.

**“We charge less
for clearing
than anyone else
in the business.”**

FRANK LAROCCA

OCC's core strengths exist in providing clearing, settlement and risk management services at the lowest possible cost and with operational excellence. We take great pride in having achieved this again in 2010 for our customers who are our clearing members. We remain firm in our dedication to providing the maximum amount of cost savings without compromise to OCC's highest level of standards that our members have come to expect and deserve.



**“OCC
accommodated
the launch
of two new
exchanges.”**

MIKE McCLAIN

In 2010, BATS Options and C2 Options Exchange entered the options arena. OCC proudly helped facilitate the integration of these entities into the marketplace, bringing our total number of participant options exchanges to nine. For any company, growth is one component that keeps a business moving forward in the right direction. To that effect, we are committed to developing and maintaining strong alliances with all of our partners, both old and new.





**“Standard &
Poor’s licensed
OCC to clear
over-the-counter
options.”**

JEAN CAWLEY

The landmark agreement between S&P and OCC marks the first time central counterparty clearing will be available for OTC options based on the S&P 500® Index. This important step into OTC derivatives clearing demonstrates that OCC’s story is one that is evolving as quickly as the markets we serve. We continue to keep an eye towards new opportunities that will allow us to diversify our product base in ways that will benefit our customers.

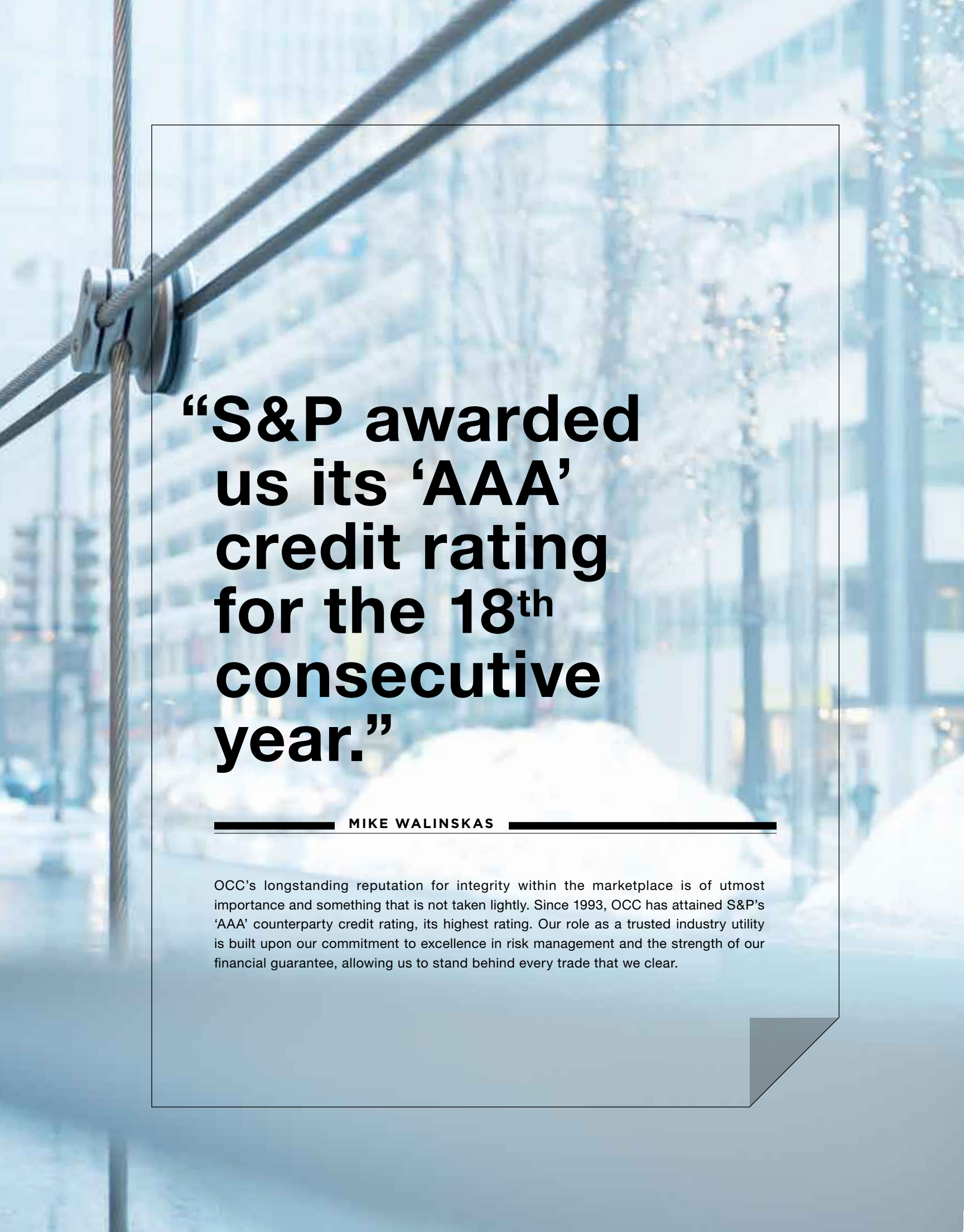


**“We cleared
3.9 billion
contracts
in 2010.”**

MIKE CAHILL

In an environment where volume has experienced its share of ups and downs, there exists a need for a reliable partner who provides stability while keeping a clear view towards the future. Our sophisticated systems, along with a knowledgeable and experienced staff, ensured that OCC not only met, but surpassed, our customers' expectations, clearing a record 3.9 billion contracts.





**“S&P awarded
us its ‘AAA’
credit rating
for the 18th
consecutive
year.”**

MIKE WALINSKAS

OCC’s longstanding reputation for integrity within the marketplace is of utmost importance and something that is not taken lightly. Since 1993, OCC has attained S&P’s ‘AAA’ counterparty credit rating, its highest rating. Our role as a trusted industry utility is built upon our commitment to excellence in risk management and the strength of our financial guarantee, allowing us to stand behind every trade that we clear.

OUR BACKGROUND. Founded in 1973, The Options Clearing Corporation (OCC) is the largest clearing organization in the world for options. Operating under the jurisdiction of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), OCC issues and clears U.S.-listed options and futures on a number of underlying financial assets including common stocks, currencies and stock indexes. OCC's clearing membership consists of approximately 130 of the largest U.S. broker-dealers, U.S. futures commission merchants and non-U.S. securities firms representing both professional traders and public customers. The stockholder exchanges share equal ownership of OCC. This ownership, along with a clearing member-dominated Board of Directors, ensures a continuing commitment to servicing the needs of OCC's participant exchanges, clearing members and their customers. OCC also provides clearing services to several security futures and futures markets.

OUR MISSION. The Options Clearing Corporation is a customer-driven clearing organization that delivers world-class risk management, clearance and settlement services at a reasonable cost; and provides value-added solutions that support and grow the markets we serve.

PARTICIPANT EXCHANGES

BATS Exchange, Inc., Lenexa, KS • C2 Options Exchange, Incorporated, Chicago, IL • Chicago Board Options Exchange, Incorporated, Chicago, IL • International Securities Exchange, LLC, New York, NY • NASDAQ OMX BX, LLC, Boston, MA • NASDAQ OMX PHLX, Inc., Philadelphia, PA • The NASDAQ Stock Market LLC, New York, NY • NYSE Amex LLC, New York, NY • NYSE Arca, Inc., Chicago, IL

FUTURES MARKETS

CBOE Futures Exchange, LLC, Chicago, IL • ELX Futures L.P., New York, NY • NASDAQ OMX Futures Exchange, Inc., Philadelphia, PA • NYSE Liffe US LLC, New York, NY • OneChicago LLC, Chicago, IL

ALTERNATIVE TRADING SYSTEMS (SECURITIES LENDING)

Automated Equity Finance Markets, Inc., New York, NY

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Year in Review

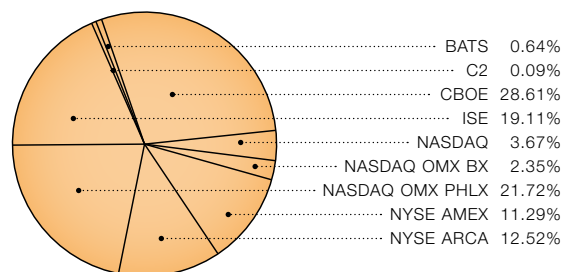
OPTIONS VOLUME

BATS TOTAL CONTRACTS	25,103,245	
Equity	25,103,245	100.00%
C2 TOTAL CONTRACTS	3,610,470	
Equity	3,610,470	100.00%
CBOE TOTAL CONTRACTS	1,115,491,922	
Equity	845,483,266	75.79%
Index	270,008,656	24.21%
ISE TOTAL CONTRACTS	745,176,328	
Equity	733,609,182	98.45%
Index	11,567,146	1.55%
NASDAQ TOTAL CONTRACTS	142,922,225	
Equity	142,843,661	99.95%
Index	78,564	0.05%
NASDAQ OMX BX TOTAL CONTRACTS	91,754,121	
Equity	91,568,809	99.80%
Index	185,312	0.20%
NASDAQ OMX PHLX TOTAL CONTRACTS	846,895,365	
Equity	843,056,014	99.55%
Index	3,839,351	0.45%
NYSE AMEX TOTAL CONTRACTS	440,021,234	
Equity	438,081,118	99.56%
Index	1,940,116	0.44%
NYSE ARCA TOTAL CONTRACTS	488,093,760	
Equity	487,081,166	99.79%
Index	1,012,594	0.21%
OCC TOTAL OPTIONS CONTRACTS	3,899,068,670	
Equity	3,610,436,931	92.60%
Index	288,631,739	7.40%

FUTURES VOLUME

CFE TOTAL CONTRACTS	4,402,798	
Index/Other Futures	4,402,798	100.00%
ELX TOTAL CONTRACTS	13,142,541	
Index/Other Futures	13,142,541	100.00%
NASDAQ OMX TOTAL CONTRACTS	15,573	
Index/Other Futures	15,573	100.00%
NYL TOTAL CONTRACTS	4,086,063	
Index/Other Futures	4,086,063	100.00%
ONE TOTAL CONTRACTS	4,971,160	
Single Stock Futures	4,971,160	100.00%
OCC TOTAL FUTURES CONTRACTS	26,618,135	
Single Stock Futures	4,971,160	18.68%
Index/Other Futures	21,646,975	81.32%

EXCHANGE MARKET SHARE



“Because we stand on solid ground, we can make some pretty impressive statements.”

Message to the Membership

OCC HAS PROVIDED A FOUNDATION FOR SECURE MARKETS FOR OVER 37 YEARS.

Aspects of the financial regulatory reform passed in 2010 affirmed the importance of what we do every day to manage risk and ensure efficiency and transparency for the markets that we serve. This past year we have taken steps to build upon that foundation in order to bring our clearing members, exchanges and all market participants the benefits of OCC's systems and services across the equity derivatives landscape. We're not only looking forward, we're moving forward.

An eighth consecutive record year in options trading, cleared futures volume that more than doubled, and the continuing significant growth in stock loan transactions combined to make 2010 the busiest year in OCC's history. Six of the 10 highest options volume days occurred in 2010, including the top three that were all above 30 million contracts. Total options volume peaked at 3.9 billion contracts, while average daily volume surpassed last year's record by almost 8 percent at 15.5 million contracts. \$1.2 trillion in options premium changed hands in 2010, on par with the previous year. Open interest, or the total number of options contracts outstanding, reached an all-time high of 360.2 million contracts on November 19. Volume across the five futures exchanges reached nearly 27 million contracts, 115 percent higher than the 2009 futures clearing record. Transactions in OCC's stock loan program, including over-the-counter and Quadriserv's AQS Securities Lending Marketplace, increased 64 percent to more than 650,000 with an average daily notional value of \$13.2 billion.

These figures reflect the trend of increasing business at OCC, and we expect this trend to continue. Efforts we put in motion during 2010 will help support new products, from risk management

and stock loan system enhancements to a market-expanding licensing agreement. They will help define our direction for years to come.

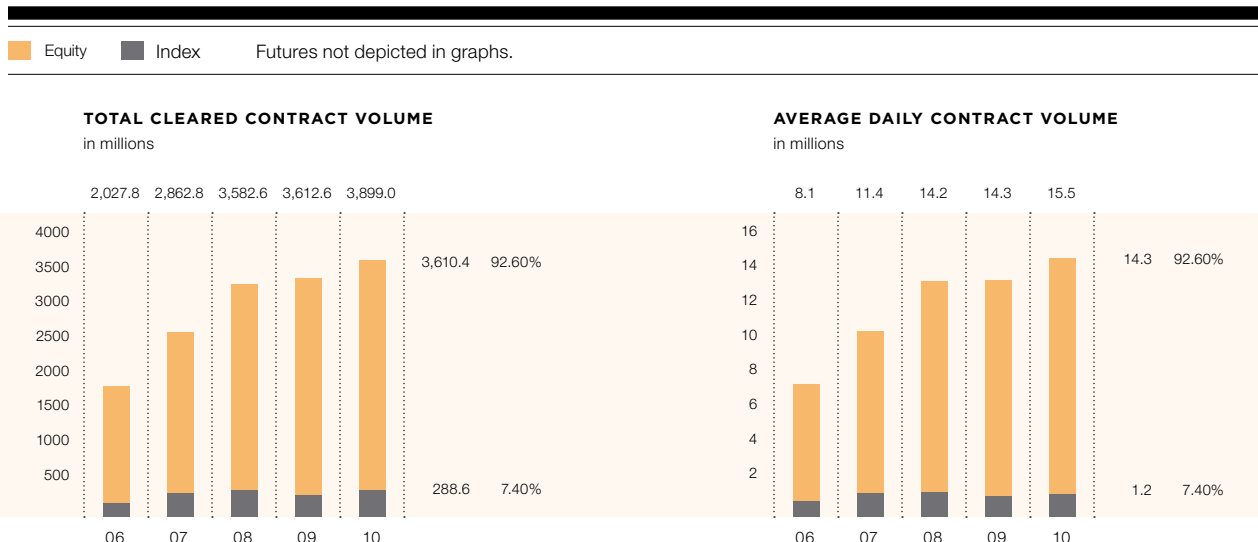
Enabling growth for our members and our markets has always been, and continues to be, a key driver of OCC's mission. These efforts are all tied to our integrity and the trust placed in OCC to provide the industry with superior clearing, settlement and risk management services at the lowest possible cost. The first example reflects the most fundamental role of OCC's utility service to the industry: supporting the launch of two new exchanges, BATS Options and C2 Options Exchange, flawlessly integrating them into the options markets.

The second example highlights our respected neutrality. Last February witnessed the culmination of an important multi-year project to streamline and modernize options symbology. OCC had the privilege of coordinating this major industry-wide initiative. Through extensive testing and preparation the conversion process went more smoothly than anyone would have dared to predict. We are very pleased that OCC's efforts coordinating the Options Symbology Initiative (OSI) were recognized by FOW magazine this past December with its Best Innovation for a Clearing House award for 2010.

We're even more pleased that OSI is delivering important results for the industry, such as enabling products like Weekly options to experience significant growth now that they are no longer hindered by the old symbology.

The third example illustrates our strategic approach to expanding the portfolio of related products that OCC clears to further benefit our members. In September, we entered into a licensing agreement with Standard & Poor's (S&P) permitting us to clear over-the-counter index options based on the S&P 500® Index, S&P MidCap 400 and S&P SmallCap 600. This marks OCC's first step into the OTC equity derivatives arena. Working with our members and other market participants, we will continue to seek new ways to help manage risk and create capital efficiencies across the listed and OTC marketplaces with all of the reliability and responsiveness expected of OCC.

Unparalleled customer focus starts with a commitment to quality and the desire to add value to the markets we serve each and every day. This customer focus ensures we create and improve the tools our clearing members and participant exchanges need. As expiration cycles increased with Quarterly and Weekly options, we enhanced the ENCORE clearing system to provide additional real-time data allowing clearing members to create trade date reconciliation systems. We also worked with the exchanges to advance final trade input to OCC from 5:30 to 5:00 p.m. CT. Another enhancement to operational efficiency this past year was the implementation of SOSA, or Streamlined Options Series Adds. The SOSA Series Generation process was implemented in February 2010, providing the options exchanges with a centralized system for option series maintenance and generation of next

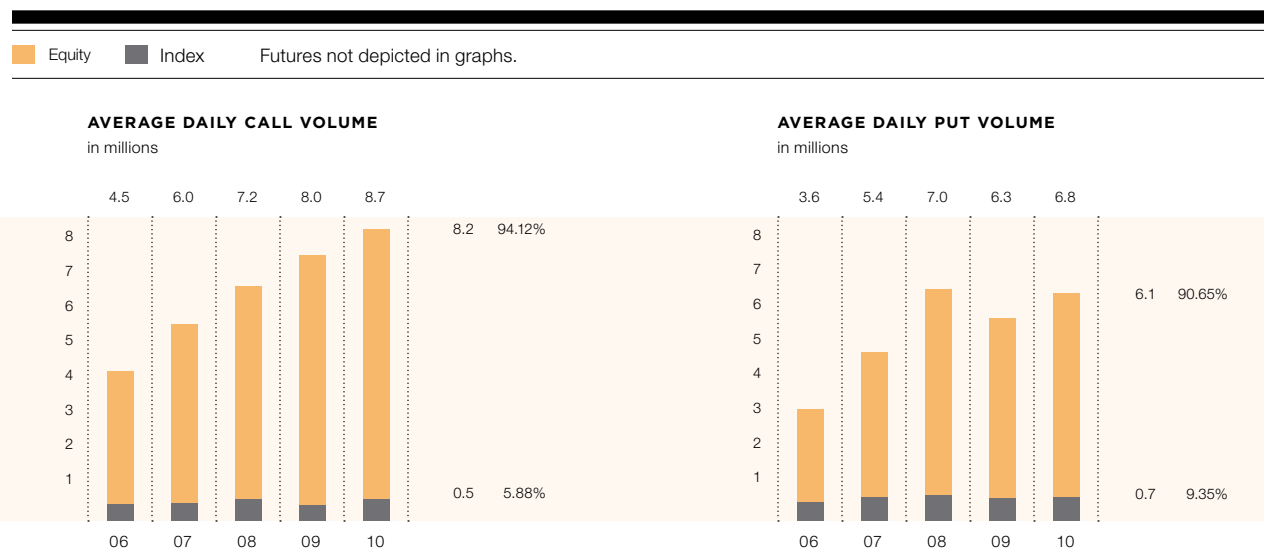


day series adds and expiration replacements along with same day series add capabilities. The system is a rule-based application that interacts with current market prices to ensure that the series added are valid for the class and market conditions. The SOSA LEAPS® Replacement process was implemented in August and extended the Series Generation process specific to the listing of LEAPS, or long-term, options. OCC continues to partner with the exchanges to address ongoing expansions and enhancements to the series listing process.

As interest continues to grow in central counterparty clearing, OCC has introduced a new web-based prescreening application for prospective members. If the firm passes the prescreening requirements, then links are provided to the forms necessary to begin the formal application process to become an OCC member.

Of course, a key element of our customer focus is holding the line on costs without compromising on quality, efficiency or service. We have achieved that again in 2010, averaging 1.8 cents per cleared contract after rebates. Net income before income taxes and refunds for fiscal year 2010 was \$58,213,137 and OCC's Board of Directors determined to return \$38.4 million to our members. Cumulative refunds and discounts since 1974 total more than \$1.3 billion.

Providing savings for our members while reducing systemic risk motivated OCC to develop a cross-margin program with the Chicago Mercantile Exchange (CME) more than 20 years ago. Today we work with CME and ICE Clear U.S. to recognize the offsetting value of hedged positions across clearing houses. The combination of hedged positions into a single portfolio for margin and settlement purposes allows risk to be assessed more precisely and reduces

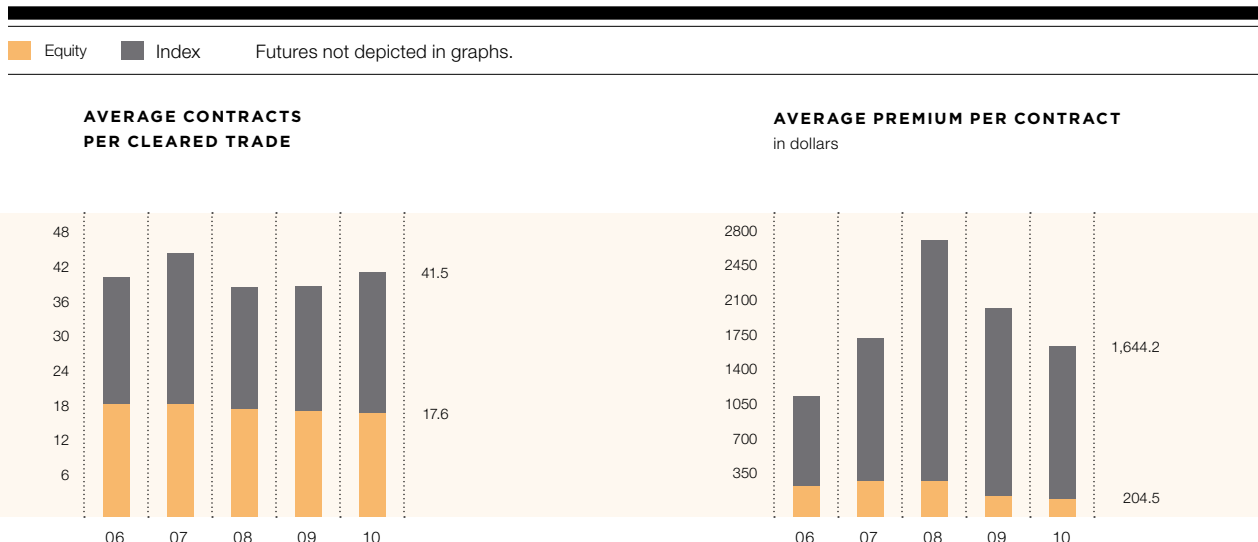


initial margin requirements. OCC/CME cross-margin participants in 2010 realized an average daily reduction in margin requirements of \$1.7 billion, or a 60 percent savings per participant.

OCC is uniquely positioned to partner with our participant exchanges and clearing members to work on common goals. The most important of these goals is education about our industry, whether the audience is legislators, regulators or potential customers. In January 2010, OCC's Washington, D.C. office and The Options Industry Council (OIC) organized a visit by representatives from the options exchanges and member firms to Capitol Hill and the Securities and Exchange Commission (SEC) to educate key legislative and regulatory staff on market structure and the impact of pending initiatives on the industry. This educational event facilitated the efforts of the U.S. Securities Markets

Coalition, an industry organization managed by OCC, to advance the goal of customer portfolio margining of securities and futures positions. Thanks to the efforts of the Coalition, the Dodd-Frank Act contained changes to the securities laws that will facilitate customer portfolio margining. It also required the SEC and the Commodity Futures Trading Commission (CFTC) to consult and to adopt rules to ensure that customer portfolio margining accounts are subject to comparable requirements whether a customer chooses a securities account or a futures account to house all related positions for margining purposes.

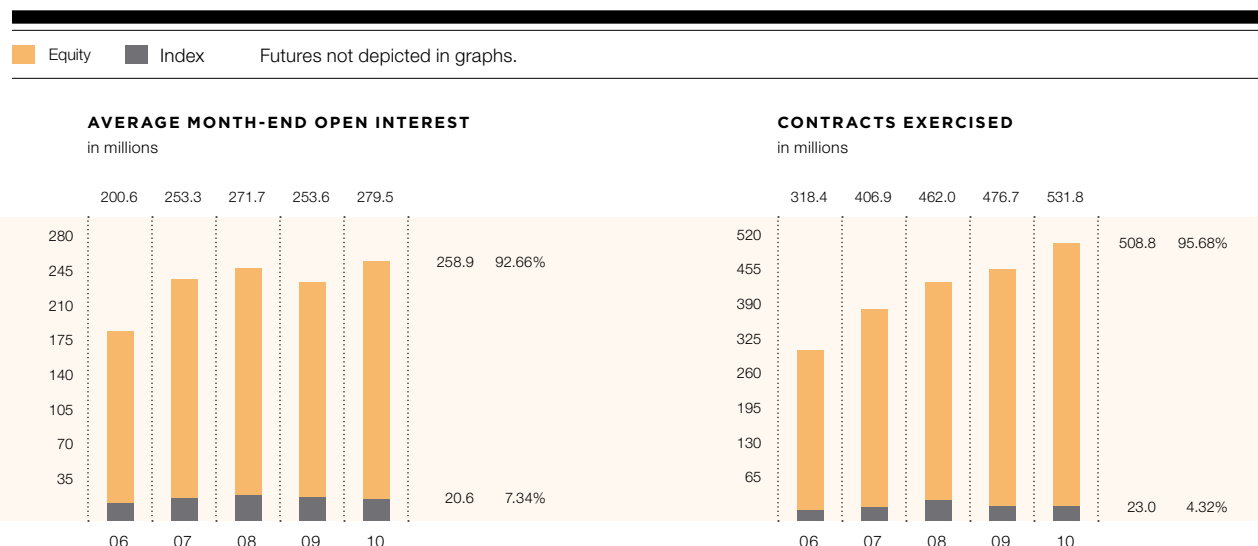
Nearly all of OCC's efforts in Washington on its own behalf were focused on the development of the Dodd-Frank Act and its implementation by the SEC, CFTC and the Federal Reserve Board. We played an active role in shaping provisions of Dodd-Frank



that will have a lasting impact on our company. These provisions include the ability of the Financial Stability Oversight Council to subject clearing houses that are systemically important to heightened regulatory scrutiny. Systemically important clearing houses may have the ability to open accounts at a Federal Reserve Bank, access Federal Reserve services, and access the discount window in emergency situations. We also successfully ensured that we are not subject to the automatic stay provision of the liquidation regime for large, non-bank financial firms. After final passage of the Dodd-Frank Act, OCC closely monitored rulemaking efforts to implement the law and continues to do so.

Beyond Washington, OCC collaborates with the options exchanges and member firms to educate investors about the benefits and risks of equity options through OIC. Since 1992, OIC has been

the most trusted, unbiased resource for options education. As equity options have become a more mainstream investing tool, OIC has expanded and evolved to meet ever greater demand. A key area of that expansion has been in providing education to financial advisors. Through our partnership with Rutgers University, advisors can receive continuing education credit for OIC's options coursework. OIC also expanded its international partnerships last year with an agreement to bring options education to India and by sending a delegation to China to meet with market leaders and regulators. In April, the fourth Harris Interactive survey of investors was released showing that not only are investors who trade options more educated and affluent than investors who don't use options, they also tend to be strategic investors who are more open to new ideas. OIC recognizes the need for younger



investors to understand the benefits and risks of equity options. To that end, last fall OIC launched an outreach effort for graduate and undergraduate students that included programs at Quinnipiac University, Baruch College and the Illinois Institute of Technology.

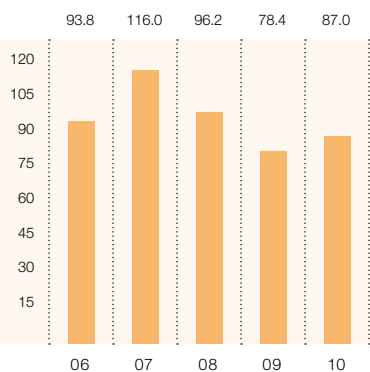
The landscape of the global derivatives industry has been significantly altered over the past few years. The terrain we are now negotiating is full of challenges but also opportunities. Our financial guarantee, built on sound application of prudent risk management principles, fortifies us to take on both challenges and opportunities. For the 18th consecutive year, OCC has received a 'AAA' counterparty credit rating from Standard & Poor's—the first clearing house ever awarded their highest rating—based on our financial safeguards. We are able to guarantee the performance of the products we clear due to our sophisticated

risk management systems and our three-tiered system of safeguards—rigorous membership standards, prudent margin requirements and a substantial clearing fund of highly liquid assets.

In addition to our financial safeguards, we provide the security that OCC will be here for our markets regardless of any man-made or natural disasters through rigorous business continuity planning (BCP). OCC has been at the forefront of industry-wide BCP efforts, and we continue to take an active role in organizations such as ChicagoFIRST, the Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security (FSSCC) and the Financial Services Information Sharing and Analysis Center (FS-ISAC). Through these organizations, OCC helped plan and conduct three tabletop exercises in 2010 to coordinate and practice emergency response procedures between firms and the public sector at the national, state and local levels.

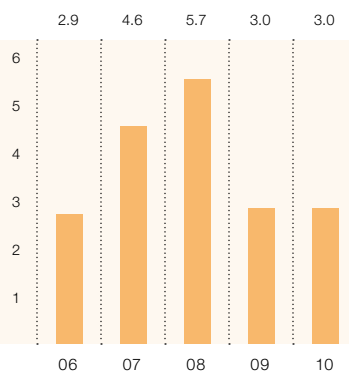
MARGIN HELD

(at year-end) in billions of dollars



CLEARING FUND HELD

(at year-end) in billions of dollars



We welcomed three new members to our Board of Directors: Craig Abruzzo, Managing Director, Morgan Stanley & Co. Incorporated, Valar J. Mihan, Managing Director, Bank of America Merrill Lynch, and John S. William, Managing Director, Global Securities Services/Securities Division, Goldman, Sachs & Co. Paul J. Brody, Chief Financial Officer, Interactive Brokers Group/Timber Hill LLC, succeeded Gary E. Yetman, Managing Director, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Member Vice Chairman.

As OCC continues to evolve, we are building our future on a very solid foundation. We will never depart from our core strengths of providing independent and reliable clearing and risk management services for the equity derivatives market and of being a customer-driven organization that safeguards market participants and gives them the tools they need to trade with confidence. While the derivatives landscape adjusts to a changing environment, we move forward, ensuring that our clearing members and exchanges continue to benefit from these core strengths.

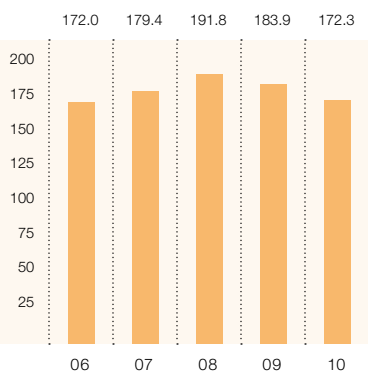
Wayne P. Luthringshausen
Chairman of the Board and
Chief Executive Officer

Michael E. Cahill
President and
Chief Operating Officer

Paul J. Brody
Member Vice Chairman, OCC
Chief Financial Officer
Interactive Brokers Group/
Timber Hill LLC

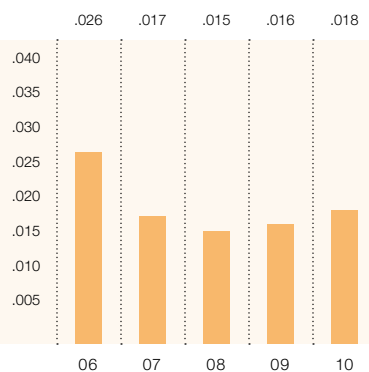
REFUND AND DISCOUNT AMOUNT

in millions of dollars



AVERAGE FEE PER CONTRACT SIDE

after refund and discounts in dollars



Board of Directors

as of December 31, 2010



WAYNE P. LUTHRINGSHAUSEN
Chairman of the Board and
Chief Executive Officer



PAUL J. BRODY
Member Vice Chairman, OCC
Chief Financial Officer
Interactive Brokers Group/
Timber Hill LLC



CRAIG ABRUZZO
Managing Director
Morgan Stanley & Co.
Incorporated
*Commenced service
April 2010*



EDWARD G. BOYLE
Executive Vice President
NYSE Euronext
*Served until
December 2010*



WILLIAM D. FELDER
Chairman
Southwest Securities, Inc.



MEYER S. FRUCHER
Vice Chairman
The NASDAQ OMX
Group, Inc.



EDWARD J. JOYCE
President and Chief
Operating Officer
Chicago Board Options
Exchange, Incorporated



GARY KATZ
President and Chief
Executive Officer
International Securities
Exchange, LLC



ANDREW D. KOLINSKY
 President and Chief
 Executive Officer
 Citadel Execution Services



RICHARD R. LINDSEY
 President and Chief
 Executive Officer
 Callcott Group LLC



GERARD J. MCGRAW
 President, Fidelity
 Institutional
 Fidelity Investments



VALAR J. MIHAN
 Managing Director
 Bank of America
 Merrill Lynch
*Commenced service
 April 2010*



**PHILIP A.
 PENDERGRAFT**
 Chief Executive Officer
 Penson Worldwide, Inc.



THOMAS E. STERN
 Chief Executive Officer
 optionsXpress
 International, Inc.



JOHN S. WILLIAN
 Managing Director,
 Global Securities
 Services/Securities
 Division
 Goldman, Sachs & Co.
*Commenced service
 March 2010*



GARY E. YETMAN
 Managing Director
 Merrill Lynch, Pierce,
 Fenner & Smith
 Incorporated
Served until April 2010

Board Committees & Senior Officers

as of December 31, 2010

BOARD COMMITTEES

Audit Committee

Gerard J. McGraw (Chairman)
Andrew D. Kolinsky
Richard R. Lindsey
Valar J. Mihan
Philip A. Pendergraft
Thomas E. Stern

Membership/Risk Committee

Wayne P. Luthringshausen
(Chairman)
Craig Abruzzo
Paul J. Brody
William D. Felder
Andrew D. Kolinsky
Richard R. Lindsey
John S. Willian

Performance Committee

Paul J. Brody (Chairman)
William D. Felder
Edward J. Joyce
Richard R. Lindsey
Wayne P. Luthringshausen
Gerard J. McGraw
Valar J. Mihan

2011 NOMINATING COMMITTEE

Kevin L. Murphy (Chairman)
Citigroup Global Markets Inc.

James J. Boyle
UBS Securities LLC

Dushyant Chadha
Deutsche Bank Securities Inc.

Mitchell King
Lek Securities Corporation

Christopher Larkin
E*TRADE Securities

Michael J. Monahan
Newedge USA, LLC

TERM EXPIRATIONS (MEMBER DIRECTORS & PUBLIC DIRECTOR)

April 2011

Richard R. Lindsey
Gerard J. McGraw
Thomas E. Stern
John S. Willian

April 2012

Paul J. Brody
William D. Felder
Philip A. Pendergraft

April 2013

Craig Abruzzo
Andrew D. Kolinsky
Valar J. Mihan

SENIOR OFFICERS

Wayne P. Luthringshausen
Chairman of the Board and
Chief Executive Officer

Michael E. Cahill
President and Chief
Operating Officer

Michael W. McClain
Executive Vice President –
Business Operations Group

Gina McFadden
Executive Vice President –
Industry Services

William H. Navin
Executive Vice President,
General Counsel and Secretary

Jean M. Cawley
Senior Vice President,
Deputy General Counsel
and Chief Compliance Officer

Frank J. Larocca
Senior Vice President,
Chief Financial Officer
and Treasurer

Susan Milligan
Senior Vice President –
Government Relations and
Communications

Raymond T. Tamayo
Senior Vice President –
Chief Information Officer

Michael A. Walinskaskas
Senior Vice President –
Risk Management and
Membership

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Statements of Financial Condition

December 31,	2010	2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 52,825,887	\$ 54,868,488
Accounts receivable	23,579,169	22,196,226
Exchange billing receivable Note 10	74,716,854	70,645,189
Due from participant exchanges Note 10	137,447	1,191,521
Other current assets	7,248,108	5,632,002
Deferred income taxes Note 11	1,343,377	1,573,675
Total Current Assets	159,850,842	156,107,101
Property and Equipment:		
Building, land and building improvements	5,628,423	6,142,489
Leasehold improvements	7,984,203	7,332,303
Equipment, furniture and other	10,550,783	8,388,841
Software	109,457,113	108,362,881
Total property and equipment	133,620,522	130,226,514
Accumulated depreciation and amortization	(118,271,266)	(112,513,593)
Property and equipment – net	15,349,256	17,712,921
Clearing fund deposits Notes 4, 14	3,083,968,000	2,967,526,000
Other assets Notes 8, 14	26,741,943	25,615,063
Deferred income taxes Note 11	29,473,738	27,526,507
Total Assets	\$ 3,315,383,779	\$ 3,194,487,592
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and other	\$ 11,620,325	\$ 9,186,518
SEC transaction fees payable Note 10	20,708,073	22,396,365
Refundable clearing fees Note 7	16,773,942	37,491,952
Exchange billing payable Note 10	74,716,854	70,645,189
Other accrued liabilities	9,701,685	7,795,410
Total Current Liabilities	133,520,879	147,515,434
Clearing fund deposits Notes 4, 14	3,083,968,000	2,967,526,000
Other liabilities Notes 12, 13	77,558,657	63,216,742
Total Liabilities	3,295,047,536	3,178,258,176
Commitments and contingent liabilities Notes 2, 3, 4, 9, 15		
Shareholders' Equity: Note 5		
Common stock	600,000	600,000
Paid-in capital	2,059,999	2,059,999
Retained earnings	53,396,828	45,222,918
Accumulated other comprehensive loss Notes 12, 13 (net of tax benefit of \$22,451,748 in 2010 and \$20,198,579 in 2009)	(35,387,251)	(31,320,168)
Total	20,669,576	16,562,749
Treasury stock	(333,333)	(333,333)
Total Shareholders' Equity	20,336,243	16,229,416
Total Liabilities and Shareholders' Equity	\$ 3,315,383,779	\$ 3,194,487,592

See Notes to Financial Statements

Statements of Income and Comprehensive Income

	2010	2009	2008
REVENUES			
Clearing fees <small>Note 7</small>	\$ 147,091,001	\$ 115,137,968	\$ 106,010,830
Investment income (loss) <small>Note 8</small>	4,419,007	7,560,257	(5,487,155)
Data service fees	4,639,147	5,146,736	5,964,023
Other	1,957,692	6,697,595	4,606,845
Total Revenues	158,106,847	134,542,556	111,094,543
EXPENSES			
Employee costs	72,196,634	68,745,560	51,235,764
Information technology, including rental	25,560,660	25,804,610	24,301,768
Professional fees and outside services	10,221,232	12,648,796	11,605,117
General and administrative	19,904,155	16,373,378	10,586,262
Rental, office and equipment	4,578,516	4,370,670	4,867,306
Depreciation and amortization	5,795,650	6,599,542	8,498,326
Total Expenses	138,256,847	134,542,556	111,094,543
Income Before Income Taxes	19,850,000	—	—
Provision (Benefit) for Income Taxes: <small>Note 11</small>			
Federal – current	10,099,687	1,794,658	6,755,490
State and local – current	1,040,164	196,619	865,677
Federal – deferred	603,515	(1,083,223)	(5,531,853)
State and local – deferred	(67,276)	153,161	(652,774)
Provision for Income Taxes	11,676,090	1,061,215	1,436,540
Net Income (Loss)	8,173,910	(1,061,215)	(1,436,540)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX <small>Note 5</small>			
Pension and post retirement benefit plans, net of tax provision (benefit)			
of (\$2,253,170) in 2010, \$2,960,822 in 2009			
and (\$13,073,203) in 2008	(4,067,083)	5,344,431	(21,557,797)
Comprehensive Income (Loss)	\$ 4,106,827	\$ 4,283,216	\$ (22,994,337)

See Notes to Financial Statements

Statements of Cash Flows

	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 8,173,910	\$ (1,061,215)	\$ (1,436,540)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Unrealized (gains) losses on investments	(2,650,755)	(4,788,957)	9,003,810
Depreciation and amortization	5,795,650	6,599,542	8,498,326
Loss on disposal of assets	712,025	—	—
Deferred income taxes	536,239	(930,062)	(19,257,829)
Changes in assets and liabilities:			
Accounts receivable and other receivables	(4,400,534)	(25,279,847)	1,547,566
Other current assets	(1,616,106)	(2,716,870)	1,580,251
Other assets	1,559,022	197,767	7,767,716
Purchases of investments	(15,043,572)	(13,897,935)	(16,499,503)
Sales of investments	15,008,425	13,532,456	14,303,814
Accounts payable, accrued expenses and other payables	11,829,516	38,683,524	(9,815,208)
Refundable clearing fees	(20,718,010)	(4,230,031)	8,056,252
Net Cash Flows From Operating Activities	(814,190)	6,108,372	3,748,655
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(3,228,411)	(1,250,343)	(4,884,039)
Net Cash Flows From Investing Activities	(3,228,411)	(1,250,343)	(4,884,039)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of notes	2,000,000	—	—
Net Cash Flows From Financing Activities	2,000,000	—	—
Net increase (decrease) in cash and cash equivalents	(2,042,601)	4,858,029	(1,135,384)
Cash and cash equivalents, beginning of year	54,868,488	50,010,459	51,145,843
Cash and cash equivalents, end of year	\$ 52,825,887	\$ 54,868,488	\$ 50,010,459
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	\$ 6,551,000	\$ 3,292,700	\$ 6,956,950
Cash paid for interest	21,192	36,226	34,428
Unpaid capital expenditures	915,599	—	—

See Notes to Financial Statements

Notes to the Financial Statements

As of December 31, 2010 and 2009, and for the years ended
December 31, 2010, 2009 and 2008

NOTE 1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Options Clearing Corporation (“OCC”) is registered with the Securities and Exchange Commission (“SEC”) as a clearing agency and with the Commodity Futures Trading Commission (“CFTC”) as a derivatives clearing organization. OCC clears and settles transactions in securities options, security futures, commodity futures, and options on futures effected on exchanges for which OCC has agreed to provide such services. OCC also clears and settles certain securities lending transactions.

BASIS OF PRESENTATION AND USE OF ESTIMATES The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

CASH AND CASH EQUIVALENTS Cash and cash equivalents are comprised primarily of United States Government securities held under agreements issued by major banking institutions, which mature on the next business day. During the term of the agreements, the underlying securities are transferred through the Federal Reserve System to a custodial account maintained by the issuing bank for the benefit of OCC. OCC considers all highly liquid debt instruments with an initial maturity of three months or less from the date of purchase to be cash equivalents. The carrying value of OCC’s cash equivalents approximates fair value because of the short maturities of these investments.

PROPERTY AND EQUIPMENT Property and equipment is stated at historical cost, net of accumulated depreciation and amortization. Depreciation is computed using straight-line and accelerated methods based on estimated useful lives of five to thirty-nine and one half years. Leasehold improvements are amortized over the shorter of the term of the lease or the life of the leasehold improvement. Software, which includes capitalized labor, is amortized over a useful life of three to five years.

OCC capitalized costs for computer software development in the amount of \$79,000, \$198,000 and \$1.5 million for the years ended December 31, 2010, 2009 and 2008, respectively. Amortization expense for computer software development was \$3.6 million, \$4.9 million and \$6.8 million for 2010, 2009 and 2008, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS OCC reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such review indicates that the carrying amount of a long-lived asset is not recoverable, the carrying amount is reduced to the fair value. As of December 31, 2010 and 2009, OCC has determined that no assets have been impaired.

INCOME TAXES OCC uses the asset and liability method to record income taxes. Accordingly, deferred tax assets and liabilities are recorded based on differences between the financial accounting and tax basis of assets and liabilities. Deferred tax assets and liabilities are recorded based on the currently enacted tax rate expected to apply to taxable income in the year in which the deferred tax asset or liability is expected to be settled or realized.

INVESTMENTS OCC designated all of its investments as trading in accordance with FASB Accounting Standards Codification (“ASC”) 320-10, *Investments – Debt and Equity Securities*.

REVENUE RECOGNITION Revenue is recognized as services are rendered.

NOTE 2. OFF-BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK

OCC is the registered clearing agency for U.S. listed securities options and a registered derivatives clearing organization. OCC issues (and in that sense guarantees) and clears securities option contracts traded on its participant options exchanges and security futures and commodity futures and options contracts traded on exchanges with which OCC has clearing and settlement services agreements. OCC clears contracts based on several types of underlying interests, including equity interests, stock, commodity and other indexes, foreign currencies, interest rate composites, debt securities and precious metals.

Notes to the Financial Statements

OCC also is the clearing agency for exercises of foreign currency options, stock index options, and other cash settled options. OCC also clears certain stock loan/borrow transactions effected on an electronic trading platform or entered into directly between participating Clearing Members.

OCC maintains a syndicated line of credit with major domestic and foreign banks in the amount of \$2 billion at December 31, 2010, for which commitment fees are paid to the participating banks. This line of credit is available to enable OCC to meet Clearing Member default or suspension obligations or to cover certain other bankruptcy losses. At December 31, 2009, OCC maintained a syndicated line of credit in the amount of \$1.28 billion to meet default or suspension obligations or to cover certain other bankruptcy losses. No amounts were outstanding during 2010 or 2009 under these lines.

OCC performs a guarantee function which ensures the financial integrity of the markets it clears. Consequently, OCC bears counterparty credit risk in the event that future market movements create conditions which could lead to Clearing Members failing to meet their obligations. OCC is thus exposed to off-balance sheet risk with respect to the securities broker dealers and futures commission merchants that are its Clearing Members.

OCC reduces its exposure through a risk management program that strives to achieve a prudent balance between market integrity and liquidity. This program of safeguards, which provides substance to OCC's guarantee, consists of: rigorous initial and ongoing financial responsibility standards for membership; margin deposits; and clearing fund deposits.

OCC does not assume any guarantor role unless it has a precisely equal and offsetting claim against a Clearing Member. Therefore, the fair value of the open interest of options and futures contracts and stock loan/borrow positions cleared and settled by OCC is not included in the statements of financial condition. OCC's obligations under the guarantee would arise if a Clearing Member were unable to meet its obligations to OCC. Margin deposits and clearing fund deposits are required to collateralize Clearing Members' obligations and thus support OCC's guarantee.

As of December 31, 2010 and 2009, the amount of margin required by OCC to support its guarantee was \$37.7 billion and \$32.6 billion respectively, which represents the aggregate mark-to-market value of outstanding positions plus an additional amount to cover an adverse price move.

Margin deposits, which are not reflected in the statements of financial condition, and clearing fund deposits, which are reflected in such statements, are shown in Notes 3 and 4, respectively.

There were no events of default during the years ended 2010 or 2009 for which a liability should be recognized in accordance with ASC 460-10, *Guarantees*.

NOTE 3. MARGIN DEPOSITS

OCC's rules provide that each Clearing Member representing the seller of an option must either deposit the underlying interest (in the case of call securities options – i.e. specific deposits) or maintain specified margin deposits. They also require that margin deposits be made in respect of futures and futures options positions and stock loan/borrow positions. Such margin deposits are in the form of cash, temporary investments consisting primarily of T-Bills, bank letters of credit, U.S. and Canadian Government securities, U.S. Government sponsored enterprise debt securities ("GSE debt securities"), money market fund shares or other acceptable margin securities ("valued securities"). The margin deposits of each Clearing Member are available to meet only the financial obligations of that Clearing Member to OCC. All margin deposits, except letters of credit, are held at securities depositories or banks. All obligations are marked to market on a daily basis. Preferred stock and corporate debt deposited as valued securities are given margin credit at 70% of their daily closing bid price. The margin credit granted for a single issue of these securities with the same CUSIP cannot exceed 10% of the market value of a Clearing Member's collateral deposits. Beginning in December 2009, common stock and exchange-traded funds were included in margin calculations and valued based on OCC's margin methodology. In November 2010, this policy was expanded to include eligible U.S. Government securities. Prior to this, common stock and exchange-traded funds were given margin credit at 70% of their daily closing bid price, while Government securities were haircut based on a maturity schedule. OCC haircuts, on a daily basis, the fair value of (i) U.S. and Canadian Government securities not included in margin calculations, (ii) GSE debt securities, and (iii) money market fund shares to provide a cushion against adverse price fluctuations.

Under OCC's rules, bank letters of credit are required to be irrevocable. Cash margin deposits that OCC holds may be invested, and any interest or gain received or loss incurred on such invested funds accrues to OCC.

The fair values of underlying securities and margin deposits at December 31, 2010 and 2009 were as follows (foreign government securities are converted to U.S. dollars using the year-end exchange rate):

Years ended December 31,	2010	2009
Specific deposits	\$ 21,289,998,000	\$ 17,244,576,000
Valued securities	31,929,200,000	23,801,073,000
Cash and temporary investments	334,657,000	2,594,742,000
Bank letters of credit	3,069,810,000	3,821,260,000
Government securities	9,385,018,000	10,522,088,000
GSE debt securities	—	25,000,000
Money market fund shares	1,200,000	55,230,000
Total	\$ 66,009,883,000	\$ 58,063,969,000

Further, as of December 31, 2010 and 2009, OCC accepted equity and index option escrow deposits, which represent acceptable collateral on deposit with approved banks, in lieu of margin for approximately 373,000 and 400,000 options contracts, respectively. At December 31, 2010 and 2009, the fair value of the underlying security (times the unit of trading or the multiplier, as appropriate) of the equity and index option contracts collateralized under the escrow deposit program approximated \$21 billion and \$20.3 billion, respectively.

At December 31, 2010 and 2009, margin deposits were in excess of the amounts required by OCC.

OCC also maintains cross-margining arrangements with certain U.S. commodities clearing organizations. Under the terms of these arrangements, an OCC Clearing Member that is also a Clearing Member of a commodities clearing organization participating in the cross-margining arrangement, or that has an affiliate that is a Clearing Member of such commodities clearing organization, may maintain cross-margin accounts in which the Clearing Member's positions in OCC-cleared options are combined, for purposes of calculating margin requirements, with positions of the Clearing Member (or its affiliate) in futures contracts and/or options on futures contracts. Margin deposits on the combined positions are held jointly by OCC and the partici-

pating commodities clearing organization and are available (together with any proceeds of the options and futures positions themselves) to meet financial obligations of the Clearing Member(s) to OCC and the commodities clearing organization. In the event that either OCC or a participating commodities clearing organization suffers a loss in liquidating positions in a cross-margin account, the loss is to be shared between OCC and the participating commodities clearing organization in accordance with their agreement. Margin deposits for these cross-margin accounts may be in the form of cash, valued securities, U.S. Government securities, U.S. GSE debt securities or bank letters of credit and are reflected in the table above. Margin deposits subject to cross-margin agreements were \$685 million and \$576 million at December 31, 2010 and 2009, respectively.

NOTE 4. CLEARING FUND DEPOSITS

OCC maintains a clearing fund to cover possible losses should a Clearing Member, bank, or a securities or commodities clearing organization default. The clearing fund is a percentage of the average daily aggregate margin requirement for positions outstanding during the preceding calendar month. It therefore expands and contracts in size from month to month. A Clearing Member's clearing fund deposit is based on its pro-rata share of the average daily options, stock loan/borrow, futures and options on futures positions outstanding during the preceding month. The clearing fund mutualizes the risk of default among all Clearing Members. The entire clearing fund is available to cover potential losses in the event that the margin deposit and the clearing fund deposit of a defaulting Clearing Member are inadequate or not immediately available to fulfill that Clearing Member's outstanding financial obligations. In the event of a default, OCC is generally required to liquidate the defaulting Clearing Member's open positions. To the extent that such positions remain open, OCC is required to assume the defaulting Clearing Member's obligations related to the open positions. The clearing fund is available to cover the cost of liquidating a defaulting Clearing Member's open positions or performing OCC's obligations with respect to positions not yet liquidated.

Clearing fund deposits must be in the form of cash or Government securities (as defined in OCC's by-laws), as the clearing fund is intended to provide OCC with an immediately-available pool of liquid assets. Clearing Members may make

Notes to the Financial Statements

clearing fund deposits in cash or in an approved segregated funds account, or in Government securities at banks. OCC haircuts the fair value of Government securities on a daily basis to provide a cushion against adverse price fluctuations. Cash deposits in nonsegregated accounts may be invested, and any interest or gain received or loss incurred on invested funds accrues to OCC. Segregated funds cannot be invested by OCC.

The fair value of the clearing fund (all foreign Government securities are converted to U.S. dollars using the year-end exchange rate) at December 31, 2010 and 2009 was as follows:

Years ended December 31,	2010	2009
Cash and temporary investments	\$ 178,827,000	\$ 231,373,000
Government securities	2,905,141,000	2,736,153,000
Total	\$ 3,083,968,000	\$ 2,967,526,000

NOTE 5. SHAREHOLDERS' EQUITY

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance January 1, 2008	\$ 600,000	\$ 2,059,999	\$ 48,297,590	\$ (15,106,802)	\$ (333,333)	\$ 35,517,454
Net loss			(1,436,540)			(1,436,540)
Amounts included in other comprehensive income (loss), net of tax:						
Changes in unamortized transition asset (obligation)				17,430		17,430
Changes in unamortized actuarial gain (loss)				(21,956,820)		(21,956,820)
Changes in unamortized prior service credit (cost)				108,315		108,315
Subtotal				(21,831,075)		(21,831,075)
Adjustment to eliminate early pension measurement date, net of tax			(576,917)	273,278		(303,639)
Balance December 31, 2008	600,000	2,059,999	46,284,133	(36,664,599)	(333,333)	11,946,200
Net loss			(1,061,215)			(1,061,215)
Amounts included in other comprehensive income (loss), net of tax:						
Changes in unamortized transition asset (obligation)				18,018		18,018
Changes in unamortized actuarial gain (loss)				5,279,437		5,279,437
Changes in unamortized prior service credit (cost)				46,976		46,976
Subtotal				5,344,431		5,344,431
Balance December 31, 2009	600,000	2,059,999	45,222,918	(31,320,168)	(333,333)	16,229,416
Net income			8,173,910			8,173,910
Amounts included in other comprehensive income (loss), net of tax:						
Changes in unamortized transition asset (obligation)				18,018		18,018
Changes in unamortized actuarial gain (loss)				(4,099,902)		(4,099,902)
Changes in unamortized prior service credit (cost)				14,801		14,801
Subtotal				(4,067,083)		(4,067,083)
Balance December 31, 2010	\$ 600,000	\$ 2,059,999	\$ 53,396,828	\$ (35,387,251)	\$ (333,333)	\$ 20,336,243

OCC has Class A and Class B common stock, each with a \$10 par value, 60,000 shares authorized, 30,000 shares issued and 25,000 shares outstanding at December 31, 2010 and 2009.

At December 31, 2010 and 2009, treasury stock consisted of 5,000 shares of Class A common stock and 5,000 shares of Class B common stock at an aggregate cost of \$333,333.

The Class B common stock is issuable in twelve series of 5,000 shares each. The Class B common stock is entitled to receive dividends, whereas the Class A common stock is not. Upon liquidation of OCC, the assets available for distribution to shareholders would be distributed as follows: holders of Class A common stock and Class B common stock would first be paid the par value of their shares. Next, each holder of Class B common stock would receive a distribution of \$1,000,000. Next, an amount equal to OCC's shareholders' equity at December 31, 1998 of \$22,902,094, minus the distributions described above, would be distributed to those holders who acquired their Class B common stock before December 31, 1998. Finally, any remaining shareholders' equity would be distributed equally to all holders of Class B common stock.

The by-laws of OCC provide that any national securities exchange or national securities association which meets specific requirements may qualify for participation in OCC. Until 2002, exchanges qualified for participation by purchasing 5,000 shares of Class A common stock and 5,000 shares of Class B common stock. The purchase price for such shares was the aggregate book value of a comparable number of shares at the end of the preceding calendar month, but not more than \$1,000,000. In 2002, OCC amended its by-laws to provide that exchanges would thereafter qualify for participation in OCC by purchasing a \$1,000,000 interest bearing promissory note. Five of OCC's participant exchanges at December 31, 2010 and 2009 were shareholders. At December 31, 2010, four participant exchanges were noteholders. At December 31, 2009 two participant exchanges were noteholders. These amounts are recorded in accounts payable and other.

OCC is a party to a Stockholders Agreement with its shareholders. The Stockholders Agreement provides that each shareholder appoints the members of the Nominating Committee of OCC as its proxy for purposes of voting its shares for the election of member directors, the Chairman

of OCC as the management director, the person(s) nominated by the Chairman of OCC with the approval of the Board of Directors as the public director(s), and members of the following year's Nominating Committee. It also provides for the purchase by OCC of all of its stock owned by any shareholder under specified circumstances, but the obligation to pay the purchase price will be subordinated to OCC's obligations to creditors, and the purchase price cannot be paid if the payment would reduce capital and surplus below \$1,000,000. If OCC is required to purchase its stock from any shareholder, the purchase price for the two years following the date the shareholder acquired its stock is the shareholder's purchase price paid reduced by \$300,000. Thereafter, the purchase price is the lesser of the aggregate book value of the shares or the original purchase price paid, less \$240,000, \$180,000, \$120,000, \$60,000 or zero after the second, third, fourth, fifth or sixth year, respectively, from the date of sale of such stock.

The Noteholders Agreement provides OCC with the right to purchase all notes owned by any noteholder under specified circumstances, but the obligation to pay the purchase price will be subordinated to OCC's obligations to creditors except that such obligation will not be subordinate to OCC's obligation to pay the purchase price to any other noteholder or any shareholder under the Stockholders Agreement. If OCC exercises its purchase rights to purchase such notes, the purchase price for the two years following the date of OCC's execution thereof is the original aggregate principal amount of such notes plus any accrued and unpaid interest thereon reduced by \$300,000. Thereafter, the purchase price is the original aggregate principal amount of such notes plus any accrued and unpaid interest thereon, less \$240,000, \$180,000, \$120,000, \$60,000 or zero after the second, third, fourth, fifth or sixth year, respectively, from the date such notes were executed.

NOTE 6. SALE AND BUY BACK AGREEMENTS

Sale and buy back agreements outstanding, including amounts in margin and clearing fund deposits, averaged \$900 million and \$2.8 billion during 2010 and 2009, respectively, and the maximum amount outstanding during 2010 and 2009 was \$2.6 billion and \$6.2 billion, respectively. The amounts outstanding approximate the fair value of the underlying securities.

Notes to the Financial Statements

NOTE 7. CLEARING FEES

OCC's Board of Directors sets clearing fees and determines the amounts of refunds, fee reductions and discounts, if any, based upon the current funding needs of OCC. The Board of Directors determined in the years ended December 31, 2010, 2009 and 2008 that refunds, fee reductions and discounts of clearing fees be made to Clearing Members. Refunds, which have been netted against clearing fees in the statements of income and comprehensive income, were \$38,363,000, \$57,928,000 and \$64,651,000 for the years ended December 31, 2010, 2009 and 2008, respectively.

NOTE 8. OTHER ASSETS

Other assets, which include investments for the supplemental executive retirement plan ("SERP") as discussed in Note 12, and the executive defined contribution and deferred compensation plans discussed in Note 9, consisted of the following:

Years ended December 31,	2010	2009
SERP	\$ 16,104,343	\$ 15,053,158
Executive defined contribution plan	2,744,732	4,717,417
Executive deferred compensation plan	7,443,728	5,297,202
Other assets	449,140	547,286
Total other assets	\$ 26,741,943	\$ 25,615,063

Investments applicable to the SERP are recorded at fair value and changes in fair value are recorded as investment income (loss) in the statements of income and comprehensive income. OCC recognized a net increase (decrease) in the fair value of these investments of \$112,000, \$3,137,000 and (\$4,500,000) in 2010, 2009 and 2008, respectively. The increase (decrease) in fair value includes \$1,522,000, \$2,856,000 and (\$5,294,000) of net unrealized gains (losses) for 2010, 2009 and 2008, respectively.

Investments applicable to the executive defined contribution plan and the executive deferred compensation plan are recorded at fair value and changes in fair value are recorded as investment income (loss) in the statements of income and comprehensive income. In addition, changes in the investments' fair value of these plans result in corresponding equal offsetting charges recorded as employee costs in the statements of income and comprehensive income.

The increase (decrease) in the fair value of these investments was \$174,000, 1,659,000 and (\$4,572,000) for the years ended December 31, 2010, 2009 and 2008, respectively.

The increase (decrease) in fair value includes \$1,129,000, \$1,933,000 and (\$3,710,000) of net unrealized gains (losses) at December 31, 2010, 2009 and 2008, respectively.

NOTE 9. COMMITMENTS

Future minimum aggregate rental payments under operating leases having initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2010 in the aggregate are as follows:

2011	\$ 9,297,000
2012	7,778,000
2013	6,355,000
2014	3,651,000
2015	3,647,000
Thereafter	21,256,000
Total	\$ 51,984,000

Rental expense (principally for office space and data processing equipment) for the years ended December 31, 2010, 2009 and 2008 was \$21,992,000, \$22,164,000 and \$20,709,000, respectively.

OCC has employment agreements with certain of its senior officers. The aggregate commitment for future salaries and deferred compensation payments at December 31, 2010 and 2009, excluding bonuses, was approximately \$5.2 million and \$6.3 million, respectively.

Effective January 1, 2006, OCC implemented the Executive Deferred Compensation Plan ("Plan") for senior officers. The Plan replaces the Third Restated Capital Accumulation Plan ("CAP") except for certain senior officers. The deferred compensation plan was funded in the amounts of \$1.4 million and \$1.3 million at December 31, 2010 and 2009, respectively. The balances in the plan will become vested and payable on the fifth anniversary of the date it is credited to the participants' account. Plan investments, consisting primarily of mutual funds, are designated as trading under ASC 320-10, *Investments-Debt and Equity Securities*. At December 31, 2010 and 2009, the CAP balance was \$818,000 and \$626,000, respectively, including income from investments.

NOTE 10. RELATED PARTY TRANSACTIONS AND OTHER MARKET AGREEMENTS

OCC bills and collects transaction fees on behalf of certain exchanges for which it provides clearing and settlement services. Fees billed and uncollected by OCC, and not remitted to such exchanges, at December 31, 2010 and 2009 were \$74,717,000 and \$70,645,000, respectively, and are included in the statements of financial condition as exchange billing receivable and payable. In addition, OCC bills and collects Section 31 fees on behalf of certain exchanges which are remitted to the SEC.

OCC is also a party to a Restated Participant Exchange Agreement dealing with the business relationship between and among OCC and each participant options exchange.

In 1992, OCC and its participant options exchanges formed an industry organization named The Options Industry Council ("OIC"). The total amounts expended by OCC on behalf of OIC, before reimbursement from the participant exchanges, for the years ended December 31, 2010, 2009 and 2008 were \$7,158,000, \$7,312,000 and \$4,584,000, respectively. The participant exchanges' share of OIC expenditures was \$2,000,000 for December 31, 2010 and 2009, and \$1,800,000 for December 31, 2008. At December 31, 2010 and 2009, the amounts due from participant exchanges for OIC and other related expenditures were \$137,447 and \$1,191,521, respectively.

OCC has entered into a clearing and settlement services agreement for security futures with OneChicago, LLC, dealing with the business relationship between the organizations. Thereunder, OneChicago, LLC paid a \$250,000 fee to OCC which is refundable in whole or in part if it ceases to clear security futures through OCC. The amount of such refund is the lesser of \$250,000 or 50% of the aggregate clearing fees received by OCC for trades in security futures executed on that market.

OCC is also a party to clearing and settlement services agreements for certain commodity contracts with CBOE Futures Exchange LLC, NASDAQ OMX Futures Exchange and NYSE Liffe US, LLC, each of which is a designated contract market and an affiliated futures market as defined in OCC's by-laws.

OCC has entered into both a clearing and settlement services agreement and a development agreement with ELX Futures, L.P., a designated contract market. Under the development agreement, ELX Futures, L.P. has agreed to pay OCC a fixed fee for systems development work to provide services under the clearing agreement for certain commodity contracts, subject to possible reductions or refunds.

OCC has a clearing and settlement services agreement with Automated Equity Finance Markets, Inc., which is a registered broker-dealer and a registered automated trading system that operates a marketplace for stock loan and borrow transactions. Under the agreement, OCC received a fee of \$1 million which is refundable in whole or in part if the market ceases to clear such transactions through OCC. The amount of the refund is the lesser of \$500,000 or 50% of the total aggregate clearing fees received by OCC for stock loan transactions executed on the market.

NOTE 11. INCOME TAXES

The provision for income taxes is reconciled to the amount determined by applying the statutory federal income tax rate to income before taxes as follows:

Years ended December 31,	2010	2009	2008
Federal income tax at the statutory rate	\$ 6,947,500	\$ —	\$ —
Permanent tax differences	326,126	311,522	295,179
State income tax effect	558,650	15,118	22,476
Rate changes	121,296	1,667,728	657,489
Reserve adjustment	103,577	(16,499)	522,190
Other	3,618,941	(916,654)	(60,794)
Provision for income taxes	\$ 11,676,090	\$ 1,061,215	\$ 1,436,540

Notes to the Financial Statements

OCC accounts for income taxes in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Uncertain income tax positions are measured based on a “more likely than not” threshold and recorded as accruals in the statements of financial condition. As of December 31, 2010, OCC has an accrual for uncertain tax positions recorded in other accrued expenses in the statements of financial condition. The interest recorded on these accruals is \$475,711 (net \$313,969) as of December 31, 2010. During 2010, OCC recorded \$156,935 (net \$103,577) additional interest. As of January 1, 2009, OCC had recorded penalties of \$165,069. No additional penalties have been recorded during 2010.

OCC has been audited by the IRS for tax years 2004 through 2006 and is currently in appeals. State audits for Illinois and Texas have been completed through 2007. At this time, OCC estimates that it is reasonably possible that the liability for unrecognized tax benefits will decrease up to \$4.7 million in the next 12 months.

The deferred tax asset consists of the following:

Years ended December 31,	2010	2009
Compensation and employee benefits	\$ 772,977	\$ 787,388
Unearned revenue	570,400	154,483
NOL carryforward	—	631,804
Current asset	1,343,377	1,573,675
Accelerated depreciation and amortization	89,853	2,031,447
Pension and postretirement benefits	29,039,134	25,165,735
Other items	344,751	329,325
Non-current asset	29,473,738	27,526,507
Total	\$ 30,817,115	\$ 29,100,182

NOTE 12. RETIREMENT PLANS

OCC has a trustee, non-contributory, qualified retirement plan (“Retirement Plan”) covering employees who meet specified age and service requirements. Retirement benefits are primarily a function of both years of service and the level of compensation during the highest consecutive five years out of the last ten years before retirement (“highest average compensation”). OCC also has a SERP which includes a

benefit replacement plan. Retirement benefits are primarily a function of both years of service and the level of compensation during the highest nonconsecutive three years out of the last ten years before retirement (in the case of participants at or above the rank of Executive Vice President) or the highest consecutive five years out of the last ten years before retirement (in the case of participants below the rank of Executive Vice President).

OCC amended its Retirement Plan such that certain employees are no longer eligible to earn future benefit service after December 31, 2002. Vested benefits for such employees will continue to be based on their highest average compensation, and these employees became eligible to participate in the defined contribution plan, effective January 2, 2003. Participation in the Retirement Plan was frozen effective March 7, 2002.

OCC’s funding policies, subject to the minimum funding requirements of U.S. employee benefit and tax laws, are to contribute such amounts as determined on an actuarial basis and to provide the Retirement Plan and the SERP (“the plans”) with assets sufficient to meet the benefit obligation of the plans.

Net periodic benefit cost of the Retirement Plan and the SERP consisted of the following:

Years ended December 31,	2010	2009	2008
Service cost	\$ 1,554,000	\$ 1,494,000	\$ 1,626,000
Interest cost	6,501,000	6,293,000	5,818,000
Expected return on assets	(5,639,000)	(4,454,000)	(6,628,000)
Amortization:			
Prior service cost	23,000	19,000	41,000
Actuarial loss	3,626,000	4,737,000	1,365,000
Net periodic benefit cost	\$ 6,065,000	\$ 8,089,000	\$ 2,222,000

\$3,934,000 of net actuarial loss and \$37,000 of prior service cost recorded in accumulated other comprehensive loss are expected to be amortized as components of net periodic benefit cost during 2011.

The Retirement Plan assets and the plans' benefit obligation and funded status are as follows:

Years ended December 31,	2010	2009
Change in benefit obligation:		
Net benefit obligation at beginning of year	\$ 106,855,000	\$ 95,684,000
Service cost	1,554,000	1,494,000
Interest cost	6,501,000	6,293,000
Actuarial loss	9,485,000	6,434,000
Gross benefits paid	(3,348,000)	(3,050,000)
Net benefit obligation at end of year	\$ 121,047,000	\$ 106,855,000
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 67,585,000	\$ 52,884,000
Actual return on plan assets	7,541,000	15,212,000
Employer contributions	2,189,000	2,539,000
Gross benefits paid	(3,348,000)	(3,050,000)
Fair value of plan assets at end of year	\$ 73,967,000	\$ 67,585,000
Funded status end of year:		
Fair value of plan assets	\$ 73,967,000	\$ 67,585,000
Benefit obligation	121,047,000	106,855,000
Funded status	\$ (47,080,000)	\$ (39,270,000)
Amounts recognized in the statements of financial condition:		
Current liability	\$ (1,379,000)	\$ (1,190,000)
Noncurrent liability	(45,701,000)	(38,080,000)
Total	\$ (47,080,000)	\$ (39,270,000)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	\$ 45,297,000	\$ 41,340,000
Prior service cost	42,000	65,000
Net amount recognized	\$ 45,339,000	\$ 41,405,000

The accumulated benefit obligation for the Retirement Plan and the SERP was \$110,632,000 and \$96,854,000 at December 31, 2010 and 2009, respectively.

The major assumptions used to determine the accumulated benefit obligations and benefit costs are a 5.45% discount rate and 4.75% future salary increases as of December 31, 2010 and a 6.10% discount rate and 4.75% future salary increases as of December 31, 2009. The expected long term rate of return on the Retirement Plan assets was 8.00% for the year ended December 31, 2010, 8.50% for the year ended

December 31, 2009, derived using the plan's asset mix, historical returns by asset category, expectations for future capital market performance, and the fund's past experience. Both the plans' investment policy and the expected long term rate of return assumption are reviewed periodically.

OCC's expected cash outlays for employer contributions in 2011 are \$3,879,000, and expected cash outlays for benefit payments are as follows:

2011	\$ 4,397,000
2012	4,760,000
2013	5,233,000
2014	5,674,000
2015	6,027,000
2016-2020	37,869,000
Total	\$ 63,960,000

The primary investment objective for the Retirement Plan is to earn the maximum rate of return consistent with a chosen risk exposure. Over a three to five year period, the actively managed portion of the plan is expected to outperform a blended benchmark of the actively managed asset classes. The plan's current target investment mix is 35% equities, 40% bonds and 25% international equities. The actual asset allocation is as follows:

Years ended December 31,	2010	2009
Cash equivalents	1%	—
Fixed income	36%	24%
Domestic equity funds	32%	47%
International equity funds	31%	29%

OCC has an agreement with its Chairman and Chief Executive Officer ("Executive") that converted substantially all of the Executive's SERP benefit to a defined contribution benefit. At December 31, 2010 and 2009, the defined contribution benefit related assets and corresponding liabilities to the Executive of \$2.7 million and \$4.7 million are reflected in other assets and other liabilities, respectively, in the statements of financial condition (see Note 8).

OCC also maintains a defined contribution plan qualified under Internal Revenue Code Section 401(k) for eligible employees who elect to participate in the plan. Eligible employees may elect to have their salaries reduced by an amount which is subject to applicable IRS limitations. This amount is then paid into the plan by OCC on behalf of the employee.

Notes to the Financial Statements

OCC will make matching contributions to the participant's account equal to 50% of deferred deposits (excluding "catch-up" deposits) up to the first six percent of salary that is deferred. OCC's expenses for the matching contributions to the plan for the years ended December 31, 2010, 2009 and 2008 were \$1,160,000, \$1,096,000 and \$1,024,000, respectively.

The plan also contains a profit-sharing component for individuals not eligible to earn future benefit service in the Retirement Plan, as discussed above. Profit sharing contributions accrued for the plan were \$1,794,000, \$1,498,000 and \$1,237,000 in 2010, 2009 and 2008, respectively.

NOTE 13. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

OCC has a postretirement welfare plan covering employees who meet specified age and service requirements. Retiree contributions to medical payments vary by age and service at retirement. The plan is a defined dollar benefit plan in which OCC's obligation is limited to a maximum amount per participant per year set by OCC at the time a participant retires.

Net periodic benefit cost consisted of the following:

Years ended December 31,	2010	2009	2008
Service cost	\$ 1,085,000	\$ 854,000	\$ 599,000
Interest cost	1,408,000	1,217,000	795,000
Expected return on assets	(362,000)	(242,000)	(258,000)
Amortization:			
Transition obligation	28,000	28,000	28,000
Prior service cost	—	54,000	133,000
Actuarial loss	687,000	596,000	189,000
Total net periodic benefit cost	\$ 2,846,000	\$ 2,507,000	\$ 1,486,000

\$804,000 of net actuarial loss and \$28,000 of transition obligation recorded in accumulated other comprehensive loss are expected to be amortized as components of net periodic benefit cost during 2011.

The primary investment objective for the plan is to earn the maximum rate of return consistent with a chosen risk exposure. Over a three to five year period, the actively managed portion of the plan is expected to outperform a blended benchmark of the actively managed asset classes. The plan's current target investment mix is 35% equities,

40% bonds and 25% international equities. The actual asset allocation is as follows:

Years ended December 31,	2010	2009
Fixed income	25%	25%
Domestic equity funds	40%	40%
International equity funds	35%	35%

The plan's benefit obligation, plan assets and funded status are as follows:

Years ended December 31,	2010	2009
Change in benefit obligation:		
Net benefit obligation at beginning of year	\$ 21,712,000	\$ 17,784,000
Service cost	1,085,000	854,000
Interest cost	1,408,000	1,217,000
Actuarial loss	3,353,000	2,086,000
Gross benefits paid	(316,000)	(241,000)
Federal subsidy	10,000	12,000
Net benefit obligation at end of year	\$ 27,252,000	\$ 21,712,000
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 4,468,000	\$ 3,053,000
Actual return on plan assets	614,000	875,000
Employer contributions	723,000	781,000
Gross benefits paid	(306,000)	(241,000)
Fair value of plan assets at end of year	\$ 5,499,000	\$ 4,468,000
Funded status end of year:		
Fair value of plan assets	\$ 5,499,000	\$ 4,468,000
Benefit obligation	27,252,000	21,712,000
Funded status	\$ (21,753,000)	\$ (17,244,000)
Amounts recognized in the statements of financial condition:		
Noncurrent liability	\$ (21,753,000)	\$ (17,244,000)
Net amount recognized	\$ (21,753,000)	\$ (17,244,000)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	\$ 12,450,000	\$ 10,036,000
Transition obligation	50,000	78,000
Net amount recognized	\$ 12,500,000	\$ 10,114,000

The assumed discount rate used in determining the accumulated postretirement benefit obligation was 5.45% in 2010 and 6.10% in 2009.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 7.5% in 2010, decreasing by 0.5% per year reaching 5% in 2018. The rate used in 2009 was 8%, decreasing by 0.5% per year reaching 5% in 2016.

A one percentage point increase in the assumed health care cost trend rate for each year would not have a material effect on the accumulated postretirement benefit obligation or net periodic benefit cost.

The anticipated Medicare Part D Subsidy has reduced the accumulated postretirement benefit obligation by \$4.2 million and has reduced the net periodic benefit cost by \$597,000.

OCC's expected cash outlays for employer contributions in 2011 are \$1,211,000 and expected cash outlays for benefit payments are as follows:

	Not Reflecting Medicare Part D Subsidy	Expected Medicare Part D Subsidy	Reflecting Medicare Part D Subsidy
2011	\$ 555,000	\$ 43,000	\$ 512,000
2012	634,000	55,000	579,000
2013	756,000	65,000	691,000
2014	898,000	78,000	820,000
2015	1,059,000	89,000	970,000
2016-2020	8,224,000	737,000	7,487,000
Total	\$ 12,126,000	\$ 1,067,000	\$ 11,059,000

NOTE 14. FAIR VALUE MEASUREMENTS

OCC follows the guidelines of ASC 820-10, *Fair Value Measurements and Disclosures*, as the framework for measuring all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Level 1 measurements consist of quoted prices in active markets for identical assets or liabilities. Level 2 measurements include significant other observable inputs such as quoted prices for similar assets or liabilities in active markets; identical assets or liabilities in inactive markets; observable inputs such as interest rates and yield curves; and other market-corroborated inputs. Level 3 measurements include significant unobservable inputs, of which OCC had none.

In general, the level 2 marketable securities are measured using multiple pricing sources and compared to similar assets or liabilities. There were no significant transfers between level 1 and level 2 during 2010.

Assets measured at fair value on a recurring basis are summarized below.

December 31, 2010

	Total	Level 1	Level 2
Marketable securities:			
U.S. treasury securities	\$2,905,141,000	\$2,905,141,000	\$ —
Repurchase agreements	120,500,000	—	120,500,000
Equity securities	560,000	560,000	—
Debt securities	158,000	55,000	103,000
Asset backed securities	167,000	—	167,000
GSE's	714,000	278,000	436,000
Registered mutual funds:			
Growth funds	10,290,000	10,290,000	—
Balanced funds	21,330,000	21,330,000	—
Value funds	142,000	142,000	—
Commodity funds	2,250,000	2,250,000	—
Market neutral funds	3,643,000	3,643,000	—
International funds	26,187,000	26,187,000	—
Fixed Income	37,981,000	37,981,000	—
Total	\$3,129,063,000	\$3,007,857,000	\$121,206,000

December 31, 2009

	Total	Level 1	Level 2
U.S. government securities			
U.S. government securities	\$2,736,153,000	\$2,736,153,000	\$ —
Debt securities	25,513,000	25,366,000	147,000
Government and agencies			
Government and agencies	948,000	419,000	529,000
Equity funds	68,954,000	61,176,000	7,778,000
Total	\$2,831,568,000	\$2,823,114,000	\$8,454,000

NOTE 15. CONTINGENCIES

In the normal course of business, OCC may be subjected to various lawsuits and claims. OCC and a Participant Exchange are defendants in a lawsuit filed in the Circuit Court of Cook County on December 27, 2010 in which damages of not less than \$50,000 have been claimed. OCC management is currently assessing the impact, if any, of this claim. OCC has not recorded any liability as of December 31, 2010.

NOTE 16. SUBSEQUENT EVENTS

OCC has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through February 8, 2011, the date these financial statements were available for issuance.

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF THE OPTIONS CLEARING CORPORATION:

We have audited the accompanying statements of financial condition of The Options Clearing Corporation (the "Corporation") as of December 31, 2010 and 2009, and the related statements of income and comprehensive income and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Corporation at December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Chicago, Illinois
February 8, 2011

Independent Accountants' Report

TO THE BOARD OF DIRECTORS OF THE OPTIONS CLEARING CORPORATION:

We have examined management's assertion, included in the accompanying Management's Statement Regarding Internal Control over Clearing and Settlement of Options and Futures Transactions Cleared by OCC, that The Options Clearing Corporation (the "Corporation") maintained effective internal control over clearing and settlement of options and futures transactions cleared by the Corporation for the year ended December 31, 2010 based on criteria established in the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Corporation's management is responsible for maintaining effective internal control over clearing and settlement of options and futures transactions cleared by the Corporation. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control over clearing and settlement of options and futures transactions cleared by the Corporation, testing and evaluating the design and operating effectiveness of the internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control, misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over clearing and settlement of options and futures transactions cleared by the Corporation to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

In our opinion, management's assertion that the Corporation maintained effective internal control over clearing and settlement of options and futures transactions cleared by the Corporation for the year ended December 31, 2010, is fairly stated, in all material respects, based on criteria established in the "Internal Control-Integrated Framework" issued by COSO.

Debitte & Touche LLP

Chicago, Illinois
February 8, 2011

Management's Statement Regarding Internal Control Over Clearing and Settlement of Options and Futures Transactions Cleared by OCC

TO THE BOARD OF DIRECTORS OF THE OPTIONS CLEARING CORPORATION:

The Options Clearing Corporation (the "Corporation") maintains internal control over clearing and settlement of options and futures transactions cleared by the Corporation. Such internal control contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Management of the Corporation is responsible for establishing and maintaining internal control over clearing and settlement of options and futures transactions cleared by the Corporation. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. Some of the objectives of such internal control are to provide management with reasonable, but not absolute, assurance that (i) accepted matched trades submitted by exchanges and post-trade instructions submitted by clearing members are properly recorded and processed, (ii) deposits are maintained by clearing members to cover margin and clearing fund requirements, and (iii) processed transactions are properly reflected in reports to clearing members. Clearing members are responsible for promptly reviewing the reports provided to them by the Corporation, and for promptly notifying the Corporation of errors or omissions.

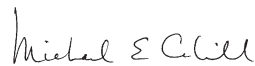
There are inherent limitations in the effectiveness of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even the most effective internal control can provide only reasonable assurance with respect to clearing and settlement of options and futures transactions cleared by the Corporation. Furthermore, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed the effectiveness of internal control over clearing and settlement of options and futures transactions cleared by the Corporation in relation to criteria established in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management believes that, for the year ended December 31, 2010, internal control over clearing and settlement of options and futures transactions cleared by the Corporation was effective based on those criteria.

The Corporation's independent accountants have issued an examination report, also dated February 8, 2011, on management's assessment of internal control over clearing and settlement of options and futures transactions cleared by the Corporation. The independent accountants' report is included on page 41.



Wayne P. Luthringshausen
Chairman and Chief Executive Officer



Michael E. Cahill
President and Chief Operating Officer

February 8, 2011

Clearing Members

As of December 31, 2010

A

ABN AMRO Clearing Chicago LLC
ADM Investor Services, Inc.
Advantage Futures, LLC
Albert Fried & Company, LLC
American Enterprise Investment Services, Inc.
Archipelago Securities, L.L.C.
Assent LLC
Automated Trading Desk Financial Services, LLC

B

BMO Capital Markets Corp.
BMO Nesbitt Burns Inc.*
BMO Nesbitt Burns Trading Corp. S.A.
BNP Paribas Prime Brokerage, Inc.
BNP Paribas Securities Corp.
Robert W. Baird & Co. Incorporated
Banca IMI Securities Corp.
Barclays Capital Inc.
Sanford C. Bernstein & Co., LLC
William Blair & Company, L.L.C.

C

CIBC World Markets Corp.
CIBC World Markets Inc.*
Canaccord Genuity Corp.*
Cantor Fitzgerald & Co.
Citadel Securities LLC
Citigroup Global Markets Inc.
Clearview Correspondent Services, LLC
Compass Professional Services, LLC
Credit Agricole Securities (USA) Inc.
Credit Suisse Securities (USA) LLC

D

Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Dorman Trading, LLC
Dundee Securities Corporation*

E

E*TRADE Clearing LLC
EWT, LLC
Electronic Brokerage Systems, LLC

F

First Clearing, LLC
First Southwest Company

G

Goldman, Sachs & Co.
Goldman Sachs Execution & Clearing, L.P.

H

HSBC Securities (USA) Inc.
J.J.B. Hilliard, W.L. Lyons, LLC

I

ING Financial Markets LLC
ITG, Inc.
Ingalls & Snyder LLC
Instinet, LLC
Interactive Brokers Group

J

Janney Montgomery Scott LLC
Jefferies & Company, Inc.
Jefferies Execution Services, Inc.
Jump Trading, LLC

K

KDC Merger Arbitrage Fund, LP
KeyBanc Capital Markets Inc.
C.L. King & Associates, Inc.
Knight Clearing Services LLC

L

LPL Financial Corporation
Lakeshore Securities, L.P.
Lazard Capital Markets LLC
Legent Clearing LLC
Lek Securities Corporation
LiquidPoint, LLC

M

MF Global Inc.
MS Securities Services Inc.
Maple Securities U.S.A. Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Merrill Lynch Professional Clearing Corp.
Mesirow Financial, Inc.
Mitsubishi UFJ Securities (USA), Inc.
J.P. Morgan Clearing Corp.
J.P. Morgan Futures Inc.
J.P. Morgan Securities LLC
Morgan, Keegan & Company, Inc.
Morgan Stanley & Co. Incorporated
Morgan Stanley Smith Barney LLC

N

NASDAQ Options Services, LLC
National Bank Financial Inc.*
National Financial Services LLC
Natixis Bleichroeder Inc.
Newedge USA, LLC
Nomura Securities International, Inc.

O

R. J. O'Brien & Associates, LLC
Octeg, LLC
Oppenheimer & Co. Inc.
optionsXpress, Inc.

P

Penson Financial Services, Inc.
Penson Futures
Pershing LLC
Piper Jaffray & Co.
Prime Dealer Services Corp.
Prudential Bache Commodities, LLC
Prudential Bache Securities, LLC

Q

Quantex Clearing, LLC

R

RBC Capital Markets, LLC
RBC Dominion Securities Inc.*
RBS Securities, Inc.
Raymond James & Associates, Inc.
Ridge Clearing & Outsourcing Solutions, Inc.
Rosenthal Collins Group, LLC

S

SG Americas Securities, LLC
Charles Schwab & Co., Inc.
Scotia Capital Inc.*
Scotttrade, Inc.
Southwest Securities, Inc.
Stephens Inc.
Stifel, Nicolaus & Company, Incorporated
StockCross Financial Services, Inc.

T

TD Ameritrade Clearing, Inc.
TD Waterhouse Canada Inc.*
Timber Hill LLC
TradeLink LLC
TradeStation Securities, Inc.
Tradition Asiel Securities Inc.

U

UBS Financial Services Inc.
UBS Securities LLC
USAA Investment Management Company

V

Vanguard Marketing Corporation
Virtu Financial BD LLC
Vision Financial Markets, LLC

W

Wedbush Securities Inc.
Wells Fargo Investments, LLC

Z

Ziv Investment Company

*Non-U.S. Clearing Member

Banks and Depository

As of December 31, 2010

CLEARING BANKS

Chicago

Harris N.A.

Concord, CA

Bank of America, N.A.

Milwaukee

U.S. Bank

New York

The Bank of New York Mellon

Brown Brothers Harriman

& Company

Citibank, N.A.

JPMorgan Chase Bank, N.A.

Philadelphia

PNC Bank, N.A.

Toronto

Bank of Montreal

APPROVED DEPOSITORY

The Depository Trust Company

LETTER OF CREDIT BANKS

(U.S. Institutions)

California

Bank of America, N.A.

Union Bank of California

Wells Fargo Bank, N.A.

Georgia

Sun Trust Bank

Illinois

Harris N.A.

The Northern Trust Company

Massachusetts

State Street Bank & Trust Company

Michigan

Comerica Bank

Missouri

Commerce Bank, N.A.

U.S. Bank, N.A.

New York

The Bank of New York Mellon

Bank of Tokyo – Mitsubishi UFJ

Trust Company

Citibank, N.A.

Deutsche Bank Trust Company,

Americas

HSBC Bank USA, N.A.

JPMorgan Chase Bank, N.A.

Pennsylvania

PNC Bank, N.A.

LETTER OF CREDIT BANKS

(Non-U.S. Institutions)

Illinois

Bank of Montreal

New York

ABN AMRO Bank N.V.

Australia and New Zealand

Banking Group Limited

BNP Paribas U.S.A.

Commerzbank

Credit Agricole Corporate and

Investment Bank

Credit Industriel et Commercial

Credit Suisse

Deutsche Bank AG

DNB Nor Bank, A.S.A.

HSH Nordbank A.G.

Landesbank Hessen-Thuringen

Girozentrale

Lloyds TSB Bank PLC

National Australia Bank Limited

Natixis

Norddeutsche Landesbank

Girozentrale

Royal Bank of Canada

Societe Generale

Standard Chartered Bank

Svenska Handelsbanken

Unicredit Bank AG

Westdeutsche Landesbank

Girozentrale

CUSTODIAN BANKS

California

Union Bank of California

Delaware

Wilmington Trust Company

Georgia

Sun Trust Bank

Illinois

Harris N.A.

The Northern Trust Company

Massachusetts

State Street Bank & Trust Company

Michigan

Comerica Bank

Minnesota

Wells Fargo Bank Minnesota, N.A.

New York

The Bank of New York Mellon

Citibank, N.A.

JPMorgan Chase Bank, N.A.

Ohio

The Fifth Third Bank

Keybank National Association

Pennsylvania

Mellon Trust of New England

PNC Bank, N.A.

Texas

Bank of America, N.A.

Wisconsin

Associated Bank, N.A.

M&I Marshall & Ilsley Bank

U.S. Bank, N.A.

Operations Roundtable Members

As of December 31, 2010

CLEARING MEMBERS

Trish Pokuta

Chief Operations Officer
ABN AMRO Clearing Chicago LLC

Walter Roesch

Director
Bank of America Merrill Lynch

Liz James

Director
Barclays Capital Inc.

Tim Donohue

Director
BNP Paribas Prime Brokerage, Inc.

Kevin Patula

Director, Clearing & Settlements
Citadel Securities LLC

Emil Zalesak

Senior Vice President,
US Clearing Operations/P&S
Citigroup Global Markets Inc.

Mark Mudry

Vice President
Credit Suisse Securities (USA) LLC

Frank A. Pirih

Vice President
Goldman Sachs Execution
& Clearing, L.P.

Brian Sussman

Vice President, Clearing
Operations
Interactive Brokers Group/
Timber Hill LLC

Tina Carfi Alzate

Associate
J.P. Morgan Clearing Corp.

Stanley H. Tulloch

Vice President
Morgan Stanley & Co.
Incorporated

George Swindasz

Senior Vice President,
Purchase & Sales and
Mutual Funds
National Financial Services LLC

Christine Show

Managing Director
Global Head of Listed Derivative
Operations
Newedge USA, LLC

Bryan Johnson

Vice President,
Brokerage Operations, P&S
Penson Financial Services, Inc.

Phil Polera

Vice President
Pershing LLC

Joe Morley

Director, Purchase & Sales
Ridge Clearing & Outsourcing
Solutions, Inc.

Kelly K. Bell

Vice President, Operations
Southwest Securities, Inc.

Ovidio Montemayor

Director, Trading Services
TD Ameritrade Clearing, Inc.

John M. Scott

Director
UBS Securities LLC

EXCHANGES

Mike Cowen

Development Lead
BATS Trading

John Goode

Chief Information Officer
Boston Options Exchange

Charles M. Hullihan

Director, Trading Operations
Chicago Board Options
Exchange, Incorporated

James Sampson

Vice President, Trading
& Market Operations
International Securities
Exchange, LLC

Chuck Mack

Director
NASDAQ OMX
NASDAQ OMX PHLX, Inc.

Pamela Zieleszinski

Senior Vice President
NYSE Euronext

INDUSTRY

ORGANIZATION

Gregory Akin

Director of Operations
Thomson Reuters

OIC Roundtable Members

As of December 31, 2010

Stock Loan Roundtable Members

As of December 31, 2010

CLEARING MEMBERS

Allison D. Jacobs

Vice President
Global Execution Services
Bank of America Merrill Lynch

Kevin L. Murphy

Managing Director
Citigroup Global Markets Inc.

Joanna Fields

Director
Head of Equity Market Structure
for the Americas
Global Market Equities
Deutsche Bank Securities Inc.

Gary M. Franklin

Managing Director / Senior
Options Principal
Manager of Option Trading
& Strategies
Equity Capital Markets
Morgan, Keegan
& Company, Inc.

Cindy Palumbo

Director, Options Client
Experience
Charles Schwab & Co., Inc.

Christopher Nagy

Managing Director,
Order Strategy
TD Ameritrade, Inc.

EXCHANGES

Jeromee Johnson

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