

Options Symbology Committee Memorandum

To: Tamara Tate – A.V.P. A.G. Edwards
From: Symbology Committee Representatives
Date: November 27, 2006
Re: Comments received regarding the Options Symbology Implementation Plan.

Dear Ms. Tate,

Representatives of the Options Symbology Committee (the Committee) commend you for your thoughtful comments on the Options Symbology Plan published in May 2006. Your comments were commensurate with the most difficult issues discussed in generating the implementation plan.

Committee members are in unanimous agreement that the impact of this effort and the required resources are significant. The established milestones (see below) were a result of negotiations between committee representatives some of whom desired a shorter implementation timeframe.

May 1, 2006 to August 29, 2006 – Industry comment period.

December 5, 2006¹ – A recommendation is submitted to the OCC Board of Directors for approval.

January 2007 – OCC and Exchange record layout changes to support new and old symbology methods are documented and distributed to industry participants. These documents will constitute the tools used by market participants to conduct impact analysis. Each entity will be responsible in communicating with its own constituents. All market participants should budget capital toward this initiative during the 2007, 2008 and 2009 calendar years.

January 2008 – March 2008 – Detailed conversion strategy is communicated for industry comment and approval.

June 2008 – OCC and Exchanges supply data values in new record layouts for industry internal testing efforts. The data will be available on production data feeds only. Firms may use the remainder of the 2008 calendar year to conduct system readiness testing.

¹ Originally published as September 26, 2006.

January 2009 – July 2009 – Scripted industry testing of the conversion and complete trade cycle is conducted.

August 2009 to November 2009 – Phase in of the new methodology in the least number of increments as defined by industry participants.

Committee members agree that the project is on schedule and that the published milestones provide adequate time for compliance. A final document will be available by year end. The options exchanges and OCC are on track to deliver the tools necessary for analysis in January 2007.

Best regards,

Mark Baumgardner
Spokesperson for the Options Symbology Committee.