

EXHIBIT 3A

Proposed Options Processing Sequence Change

OCC

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Position Processing

In response to Clearing Member requests, OCC proposes to modify the processing sequence to process ***closing sell*** transactions prior to ***exercise*** transactions. ***Pending SEC approval*** this change will help prevent members from being alleged to violate exchange rules which require customers to only exercise “outstanding” long positions.

Current vs proposed sequencing is highlighted below along with an example:

Today's Processing Sequence

Opening Buys
Opening Sells
Closing Buys
Exercises
Closing Sells
Assignments

Proposed Processing Sequence

Opening Buys
Opening Sells
Closing Buys
Closing Sells
Exercises
Assignments

Example

Current Sequencing

Activity	Long	Short	
Start of Day	30	20	
Open Buy 10	40	20	
Open Sell 10	40	30	
Closing Buy 20	40	10	
Exercise 30	10	10	All 30 exercises accepted
Closing Sell 30	0	30	Close remaining 10 long; create 20 excess shorts
End of Day	0	30	

Proposed Sequencing

Activity	Long	Short	
Start of Day	30	20	
Open Buy 10	40	20	
Open Sell 10	40	30	
Closing Buy 20	40	10	
Closing Sell 30	10	10	
Exercise 30	0	10	Only 10 exercises are processed; 20 reject
End of Day	0	10	

Clearing Members should review their processes and take advantage of OCC tools making sure they have sufficient long positions to cover exercises.

- Utilize the OCC On Demand Position file (ODP) to balance long positions vs Exercises
- Daily verification of the ENCORE Exercise screen for “Insufficient Longs”