



THE OPTIONS CLEARING CORPORATION

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DATE: MARCH 22, 2005

SUBJECT: POSITION LIMIT INCREASES

Pursuant to Securities Exchange Commission (SEC) approval, OCC participant exchanges have requested OCC to increase the position limits for all equity option products. (OCC administers position limits on behalf of the exchanges.) The new position limits will be reflected in OCC's systems at the start of the business day on Thursday, March 31, 2005.

Note: The new position limits will be viewable on the OCC website and myocc.com inquiry screens at the start of business March 31, 2005. Subscribers to the OCC Series File will see the changes reflected in the series file generated in the evening of Thursday, March 31, 2005. Virtually all equity series will be affected. Accordingly, the number of change (CHG) records will be very large.

The position limit increases will be affected pursuant to an SEC-approved pilot program for a period of six months. During this time, the standard position and exercise limits for equity option classes will be increased as indicated below. The position limit for options on QQQQ will also be increased.

Current Equity Option Share Limit	Adjusted Equity Option Share Limit
1,350,000 shares	2,500,000 shares
2,250,000 shares	5,000,000 shares
3,150,000 shares	7,500,000 shares
6,000,000 shares	20,000,000 shares
7,500,000 shares	25,000,000 shares
Current QQQQ Option Share Limit	Adjusted QQQQ Option Share Limit
30,000,000 shares	90,000,000 shares

The DIA position limit will remain at a position limit of 30,000,000 shares.

OCC reports equity option limits in shares. Users can convert the position limits for equity options from shares to contracts by dividing the "Position Limit" field (position 172-183) by the "Unit of Trade" field (position 120-134) on the series information file.

ADJUSTED POSITION LIMITS

Auto Decreases and Manual Increases

OCC will overlay the existing "auto decreases" and "manual increases" starting position limit values with the new standard position limit values according to the above table. "Manual increases" values that do not match an amount in the conversion table will not be overridden but may be changed by the system run of the daily auto increase criteria. The daily auto increase applies the higher of the "manual increase" amount or the "auto calculated" amount.

Corporate Actions

OCC will adjust the existing Corporate Action limit overrides using the last exchange's SEC approval date, which is March 03, 2005. Each corporation action effective prior to March 03, 2005 will continue with the existing corporate action override limit unless the new criteria limit is greater than the existing override. OCC will be reviewing these cases shortly after March 31, 2005 and will delete obsolete overrides. OCC will also adjust all corporate actions effective on and after March 03, 2005 to reflect the new limit criteria in the starting and ending position limit fields

SERIES INFORMATION FILE

Please expect to see a significantly large number of change (CHG) records on the full and partial Series Information files on the evening of March 31, 2005.

OCC WEBSITE "POSITION LIMIT" AND "POSITION LIMIT CHANGE" REPORTS

The "Daily Position Limit Reports" and "Position Limit Change Report" will reflect the position limit changes the morning of March 31, 2005.

INQUIRY SCREENS

Encore, OCC's website and myocc.com product inquiry screens will reflect the position limit changes the morning of March 31, 2005.

Please note that position limits for index and currency options are not affected by this rule filing and continue to be calculated by the listing option exchanges. Index and currency option position limits are stated in contracts.

Any questions regarding this memo should be directed to Member Services at (800) 621-6072, within Canada call (800) 424-7320 or by contacting your Member Services representative.