THE FOUNDATION FOR SECURE MARKETS

#55058

TO: ALL CLEARING MEMBERS

DATE: AUGUST 16, 2024

SUBJECT: LETTER OF CREDIT EXPIRATION

All outstanding Letters of Credit ("LCs") issued in favor of The Options Clearing Corporation ("OCC") to meet Clearing Member margin obligations will expire on September 1, 2024, and cannot be rolled over by amendment.

- In accordance with the terms of the LC, OCC expects to receive **manually executed original source documentation** for each newly issued LC to OCC's office at 125 S. Franklin Street, Suite 1200, Chicago, IL 60606, Attn: Collateral Services.

- **LCs must be delivered to OCC by Thursday, August 29, 2024 (3:00 p.m. CT).** The Expiry Date on all LCs must be March 1, 2025.

- **OCC will start accepting replacement LCs on Monday, August 19, 2024. Any originals received before this date will be returned to the bank.**

- As soon as the original LCs are received and verified, they will be added to ENCORE and will remain in the Pending Letter of Credit Awaiting Activation screen until August 30, 2024, when they will be activated.

- Clearing Members should allocate these letters by 4:00 p.m. CT on August 29, 2024. The window for allocation is from 6:00 a.m. to 4:00 p.m. CT. Allocation procedures are located in Section D of the Operations Manual, which can be found in MyOCC. (https://myocc.theocc.com → Operations →Clearing Member →Manuals/Record Layouts → Operations Manual → Collateral → Letter of Credit)

- **OCC will not accept any amendments to the new replacement LCs until Friday August 30, 2024.**

- Clearing Members in deficit as a result of outstanding LC replacements will be drafted at 10:00 a.m. CT, August 30, 2024.

Please note that if an LC is restricted to a Customer Account, then the issuing bank will be required to submit the information set forth on the attached Appendix A on bank letterhead. Clearing Members should supply the information of which box to check to the issuing bank

If you have any questions pertaining to this memo, please contact Collateral Services at CollateralServices@theocc.com with any questions.

[TO BE COMPLETED ON BANK LETTERHEAD]

APPENDIX A TO OCC SUPPLEMENTAL INSTRUCTIONS TO

THE UNIFIED CLEARING GROUP
UNIFORM FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

If the issuing bank has indicated on the cover page to the LC that the LC is being issued in respect of a Customer Account, the bank must separately provide on bank letterhead the following information:

Additional Account Type Information: Check the following to indicate the specific Customer Account for which the LC is intended to serve as collateral (check only one):

☐ **customers' account** – confined to Exchange transactions of securities customers.

☐ **customers' lien account** – confined to Exchange transactions of securities customers who are eligible to participate in such account.

☐ **segregated futures account** – confined to Exchange transactions of futures customers.

☐ **segregated futures professionals' account** – confined to Exchange transactions of futures customers who are futures professionals, i.e., members of a futures market or security futures market that act as a floor traders or in the capacity of similar liquidity providers under the rules of the futures market or security futures market on which such futures professionals' trading activity is conducted.

☐ **internal non-proprietary cross-margin account** – confined to the Exchange transactions of non-proprietary Market Professionals, i.e., members of a national securities exchange or association who are not required to be treated as a "customer" under Rule 15c3-3 under the Securities Exchange Act of 1934 and who are acting in a capacity commonly known as a market maker or in a similar capacity under the applicable rules of the market on which such members' trading activity is conducted. An internal non-proprietary cross-margin account is treated as a segregated futures account.