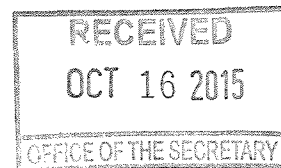


SECURITIES AND EXCHANGE COMMISSION



_____)
)
In the Matter of the Petitions of)
The Options Clearing Corporation)

) **File No. SR-OCC-2015-02**
)
)

DECLARATION OF CRAIG S. DONOHUE

Craig S. Donohue hereby declares:

1. I am the Executive Chairman of The Options Clearing Corporation (“OCC”) and have held this position since January 1, 2014.
2. I served on the Ad Hoc Strategic Advisory Group (“Advisory Group”) that was formed by OCC’s Board of Directors in March 2014 to consider modifications to OCC’s capital structure as part of raising capital and developing a long term viable capital plan.
3. The members of the Advisory Group were all directors of OCC. The chairman was Felix B. Davidson of TD Ameritrade Clearing, Inc., a member director of OCC. Other members of the Advisory Group included two additional member directors, two management directors, two exchange directors, and two public directors.
4. The Advisory Group’s objective was to develop a capital plan that would, in addition to raising capital generally, satisfy the SEC’s proposed standards for covered clearing agencies in proposed SEC Rule 17Ad-22(e)(15) and Principle No. 15 of the Principles for Financial Market Infrastructures. Both standards provide for required capital to be funded by equity, and the SEC standard also provides for a covered clearing agency to have a plan to raise additional equity if equity were to fall below the required amount.
5. I have read the Affidavit of Mr. Joel Greenberg that was filed in this proceeding on October 7, 2015. That affidavit purports to detail an “alternative plan” to the Capital Plan that Mr. Greenberg states was proposed by the Chicago Board Options Exchange, Inc. (“CBOE”).

6. There was no “alternative plan” as referenced in the Greenberg affidavit. The Greenberg affidavit references a concept that was discussed by the Advisory Group and referred to as a “Bridge Capital Facility.” The concept was never developed beyond this stage. It would have failed as a solution as a matter of law: as construed, the Bridge Capital Facility would not have qualified as liquid net assets “funded by equity” as required by the SEC proposed regulation. As an undeveloped concept that was flawed for the purpose of complying with the SEC proposed regulation, the concept was never fully developed and, despite the intended inference of the Greenberg affidavit, key lending terms, including but not limited to an interest rate, were never attached to it and no stockholder exchange committed to provide lending under it.

7. The Advisory Group developed two alternative plans to propose to OCC’s Board that would satisfy the requirement that capital requirements be funded by equity. These were Alternative A, which was the capital plan ultimately adopted by the Board, and Alternative B, which would provide for the necessary equity capital to come from organic growth.

8. As discussed in the Advisory Group, Alternative A provided benefits to clearing members in the form of a fee refund for 2014 and lower fees in 2015 going forward. Because Alternative A required a By-Law change, it was required to be passed by a 2/3 vote of the Board. In addition, because Alternative A required a change to section 9 of Article IX of the By-Laws, all stockholder exchanges were required to vote for it in order for it to be passed.

9. Alternative B did not require any By-Law changes. However, as estimated by OCC, it would have required fees to be maintained at the current rates until 2017 in order to achieve the required amount of capital. In addition, Alternative B did not include the replenishment capital commitment that was included in Alternative A, and therefore another

source of replenishment capital would have been needed to satisfy the SEC's proposed standards for covered clearing agencies.

10. At OCC's Board Meeting on December 18, 2014, both Alternative A and Alternative B were proposed to the Board. The conflicts of interest of two groups of directors were disclosed and discussed: namely that the directors who were representatives of exchanges could have one set of interests, and the directors who were representatives of members could have another set of interests. Based on advice of counsel, no recusal of either of these sets of directors was required in view of the disclosure of these conflicts. At the Board meeting on December 18, 2014, the capital plan that was later submitted to the SEC was approved by the necessary directors in compliance with OCC's By-Laws.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 15, 2015



Craig S. Donohue

CERTIFICATE OF SERVICE

I, William J. Nissen, counsel to The Options Clearing Corporation, hereby certify that on October 15, 2015, I served copies of the foregoing Declaration of Craig S. Donohue by way of facsimile at the numbers shown below and by Federal Express to the addresses shown below, including the original and three copies by Federal Express to the Secretary:

Brent J. Fields
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Washington, D.C. 20549-1090
Facsimile: 202-772-9324

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General Counsel
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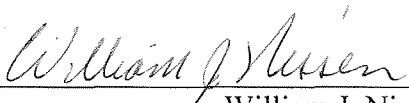
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Dated: October 15, 2015



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