



February 15, 2006

Ms. Jean Cawley
First Vice President and Deputy General Counsel
The Options Clearing Corporation
One North Wacker Drive, Suite 500
Chicago, IL 60606

Re: The Proposed OCC Rule Change to Provide for Close-Out Netting Procedures

Dear Ms. Cawley,

Thank you for the opportunity to discuss the OCC's proposed rule change to provide for close-out netting procedures with participants of the securities industry. The Securities Industry Association ("SIA") hopes that you found the discussion to be informative and provided you with clarification of certain concerns that the proposed rule change raises in order to achieve legal enforceability. We appreciate your efforts in amending the existing rule to permit the close-out netting of positions between the OCC and its members.

The SIA's Dealer Accounting Committee has formed an ad-hoc working group comprised of both Legal and Accounting Policy representatives (see Attachment I.) Collectively, the working group has substantial professional expertise and practical experience addressing the legal and accounting issues with respect to U.S. GAAP and Basel netting requirements. The working group would be happy to have additional discussions with you and provide assistance to you as you deem appropriate.

Again, we commend your efforts and look forward to working with you. If you have any questions with regard to this matter, please contact Marie Stewart at 212-320-7128 or marie.stewart@lehman.com.

Sincerely,

Matthew L. Schroeder
Chair of Dealer Accounting Committee
Securities Industry Association

cc: Mr. William H. Navin, Executive Vice President, General Counsel and Secretary
Options Clearing Corporation

Attachment I

The Goldman Sachs Group, Inc

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