



#42767

DATE: MARCH 12, 2018

SUBJECT: CALATLANTIC GROUP, INC. - CASH IN LIEU SETTLEMENT
ADJUSTED OPTION SYMBOL: LEN2
ADJUSTED FUTURES SYMBOL: CAA2D

CalAtlantic Group, Inc. options and futures were adjusted on February 13, 2018 (See OCC Information Memo #42607). The new deliverable became 1) 88 Lennar Corporation (LEN) Class A Common Shares, 2) Cash in lieu of 0.5 fractional LEN share, 3) 1 Lennar Corporation (LENB) Class B Common Share, and 4) Cash in lieu of 0.77 fractional LENB share. Only settlement of the cash portion of LEN2 options exercise/assignment activity and CAA2D futures settlement was subject to delayed settlement.

OCC has been informed that a price of \$58.81 per whole LEN share and a price of \$47.08 per whole LENB share will be used to determine the cash in lieu amounts. Accordingly, the sum of the cash in lieu amounts is:

$$0.5 \times \$58.81 + 0.77 \times \$47.08 = \$29.405 + \$36.2516 = \$65.66 \text{ per LEN2 and CAA2D Contract}$$

Now that the exact sum of the cash in lieu amounts has been determined, OCC will require Put exercisers and Call assignees, during the period of February 13, 2018 through March 12, 2018, to deliver the appropriate cash amount.

Terms of the LEN2 options and CAA2D futures are as follows:

New Deliverable Per Contract: 1) 88 Lennar Corporation (LEN) Class A Common Shares
2) 1 Lennar Corporation (LENB) Class B Common Share
3) \$65.66 Cash

STRIKE PRICES: Unchanged

CUSIPS: LEN: 526057104
LENB: 526057302

MULTIPLIER: 100 (i.e., a premium of 1.50 yields \$150)

SETTLEMENT

The LEN and LENB components of LEN2 exercise/assignment activity and CAA2D futures settlement from February 13, 2018 through March 9, 2018, have settled through National Security Clearing Corporation (NSCC). The \$65.66 cash amount will be settled by OCC.

PRICING

The underlying price for LEN2 options and CAA2D futures will be determined as follows:

$$\text{LEN2} = 0.88 (\text{LEN}) + 0.01 (\text{LENB}) + 0.6566$$

For example, if LEN closes at 59.79 and LENB closes at 47.80, the LEN2 price would be calculated as follows:

$$\text{LEN2} = 0.88 (59.79) + 0.01 (47.80) + 0.6566 = 53.75$$

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.