



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#44157**

**DATE: DECEMBER 6, 2018**

**SUBJECT: ADJUSTED RICE ENERGY INC. – CASH IN LIEU SETTLEMENT**  
**ADJUSTED OPTION SYMBOL: EQT1**

Adjusted Rice Energy Inc. options were adjusted on November 13, 2017 and November 13, 2018 (See OCC Information Memos #42120 and #43953). The new deliverable became 1) 37 EQT Corporation (EQT) Common Shares, 2) 29 Equitrans Midstream Corporation (ETRN) Common Shares, 3) Cash in lieu of 0.6 fractional ETRN share, and 4) \$530.00 Cash. Only settlement of the cash portion of EQT1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$19.8104 per whole EQT share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.6 \times \$19.8104 = \$11.89$$

Now that the cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of November 13, 2018 through December 6, 2018, to deliver the appropriate cash amount.

Terms of the EQT1 options are as follows:

New Deliverable Per Contract: 1) 37 EQT Corporation (EQT) Common Shares  
2) 29 Equitrans Midstream Corporation (ETRN) Common Shares  
3) \$541.89 Cash (\$530.00 + \$11.89)

STRIKE PRICES: Unchanged

CUSIP: EQT: 26884L109  
ETRN: 294600101

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

### **SETTLEMENT**

The EQT and ETRN components of EQT1 exercise/assignment activity from November 13, 2018 through December 5, 2018, have settled through National Security Clearing Corporation (NSCC). The \$541.89 cash amount will be settled by OCC.

### **PRICING**

The underlying price for EQT1 options will be determined as follows:

$$\text{EQT1} = 0.37 (\text{EQT}) + 0.29 (\text{ETRN}) + 5.4189$$

For example, if EQT closes at 18.25 and ETRN closes at 22.13, the EQT1 price would be calculated as follows:

$$\text{EQT1} = 0.37 (18.25) + 0.29 (22.13) + 5.4189 = 18.59$$

## **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 OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. 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](mailto: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](mailto:memberservices@theocc.com).