



#42628

**DATE:** FEBRUARY 14, 2018

**SUBJECT:** BROWN-FORMAN CORPORATION CLASS A - DISTRIBUTION  
OPTION SYMBOLS: BFA/2BFA  
NEW SYMBOLS: BFA1/2BFA1  
FUTURES SYMBOL: BFA1D  
NEW SYMBOL: BFA2D  
DATE: 03/01/18

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** March 1, 2018

**OPTION SYMBOLS:** BFA changes to BFA1  
2BFA changes to 2BFA1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 65 yields \$6,500)

**NEW DELIVERABLE PER CONTRACT**  
1) 100 Brown-Forman Corporation (BFA) Class A Shares  
2) 25 Brown-Forman Corporation (BFB) Class B Shares

**SETTLEMENT ALLOCATION:** BFA: 80%  
BFB: 20%

**CUSIPS:** BFA: 115637100  
BFB: 115637209

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**PRICING**

The underlying price for BFA1/2BFA1 will be determined as follows:

$$\text{BFA1} = \text{BFA} + 0.25 (\text{BFB})$$

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	March 1, 2018
FUTURES SYMBOL:	BFA1D changes to BFA2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	1) 100 Brown-Forman Corporation (BFA) Common Shares 2) 25 Brown-Forman Corporation (BFB) Class B Shares
SETTLEMENT ALLOCATION:	BFA: 80% BFB: 20%
CUSIPS:	BFA: 115637100 BFB: 115637209

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

## **PRICING**

The underlying price for the BFA2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{BFA2D} = \text{BFA} + 0.25 (\text{BFB})$$

Please note that the valuation would apply only to the BFA2D deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **BACKGROUND**

Brown-Forman Corporation (BFA) has announced a distribution of (New) Brown-Forman Corporation (BFB) Class B Shares. The distribution ratio is 0.25 of a BFB share for each BFA share held. The record date is February 7, 2018; the payable date is February 28, 2018. The New York Stock Exchange has set March 1, 2018 as the ex-distribution date for this distribution.

## **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@theooc.com](mailto:investorservices@theooc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theooc.com](mailto:memberservices@theooc.com).