



**THE FOUNDATION  
FOR SECURE  
MARKETS**

#43352

**DATE: JULY 11, 2018**

**SUBJECT: HRG GROUP, INC. – ANTICIPATED CONTRACT ADJUSTMENT**  
**OPTION SYMBOL: HRG**  
**NEW SYMBOL: SPB1**  
**DATE: 7/16/18???**

**CONTRACT ADJUSTMENT**

**DATE:** Effective the opening of the business day after the merger is consummated.  
Contract adjustment is expected to occur on or about July 16, 2018.

**OPTION SYMBOL:** HRG changes to SPB1

**STRIKE DIVISOR:** 1

**CONTRACTS MULTIPLIER:** 1

**NEW MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 15 yields \$1,500.00)

**NEW DELIVERABLE PER CONTRACT:**

- 1) Approximately 16 (New) Spectrum Brands Holdings, Inc. (SPB) Common Shares
- 2) Cash in lieu of approximately 0.23 fractional SPB shares

**CUSIP:** (New) SPB: 84790A105

**PRICING**

Until the final reverse stock split ratio is determined, the underlying price for SPB1 will be determined as follows:

$$\text{SPB1} = 0.1623 (\text{SPB})$$

**DELAYED SETTLEMENT**

OCC will delay settlement of the SPB component and the cash portion of the SPB1 deliverable until the final reverse stock split ratio and cash in lieu of fractional SPB shares are determined. Upon determination of the final reverse stock split ratio and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of SPB shares and the appropriate cash amount.

## **BACKGROUND**

On July 13, 2018, Shareholders of HRG Group, Inc. (HRG) will vote concerning the proposed merger with Spectrum Brands Holdings, Inc. (SPB). Per the Agreement and Plan of Merger, immediately prior to the consummation of the merger, HRG will undergo a reverse stock split at a ratio of approximately 0.1623 (New) HRG shares per existing HRG share held. If and when the merger is approved and consummated, HRG will change its name and symbol to Spectrum Brands Holdings, Inc. (SPB). Cash will be paid in lieu of fractional SPB shares.

## **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](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).