



#40459

**DATE:** JANUARY 10, 2017

**SUBJECT:** NORTHSTAR REALTY FINANCE CORPORATION - CONTRACT  
ADJUSTMENT  
OPTION SYMBOL: NRF  
NEW SYMBOL: CLNS2  
FUTURES SYMBOL: NRF1D  
NEW SYMBOL: NRF2D  
DATE: 1/11/17

**Contract Adjustment**

DATE: January 11, 2017

OPTION SYMBOL: NRF changes to CLNS2

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) 109 Colony NorthStar, Inc. (CLNS) Class A Common Shares  
2) Cash in lieu of 0.96 fractional CLNS shares

CUSIP: (New) CLNS: 19625W104

**PRICING**

Until the cash in lieu amount is determined, the underlying price for CLNS2 will be determined as follows:

$$\text{CLNS2} = 1.0996 (\text{CLNS})$$

**DELAYED SETTLEMENT**

The CLNS component of the CLNS2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CLNS2 deliverable until the cash in lieu of fractional CLNS shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **Futures Contract Adjustment**

DATE: January 11, 2017

FUTURES SYMBOL: NRF1D changes to NRF2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 109 Colony NorthStar, Inc. (CLNS) Class A Common Shares  
2) Cash in lieu of 0.96 fractional CLNS Shares

CUSIP: (New) CLNS: 19625W104

## **PRICING**

Until the cash in lieu amount is determined, the underlying price for the NRF2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{NRF2D} = 1.0996 \text{ (CLNS)}$$

Please note that the valuation would apply only to the NRF2D 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.

## **DELAYED SETTLEMENT**

The CLNS component of the NRF2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NRF2D deliverable until the cash in lieu of fractional CLNS shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

On December 20, 2016, Shareholders of NorthStar Realty Finance Corporation (NRF) voted concerning the proposed merger with NorthStar Asset Management Group Inc. (NSAM) and Colony Capital, Inc. (CLNY), in which the three companies will merge into a new company, Colony NorthStar, Inc., which is a subsidiary of NSAM. The merger agreement was also subject to NSAM and CLNY shareholder approval on December 20, 2016, and the merger of each company into Colony NorthStar, Inc. was contingent upon the approval and consummation of the mergers of the other two companies into Colony NorthStar, Inc. The mergers were approved and subsequently consummated on January 10, 2017. As a result, each existing NRF Common Share will be converted into the right to receive 1.0996 Colony NorthStar, Inc. Common Shares. Cash will be paid in lieu of fractional Colony NorthStar, Inc. shares.

Colony NorthStar, Inc. Common Shares will be listed on the New York Stock Exchange under the trading symbol "CLNS".

## **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).