



#40460

DATE: JANUARY 10, 2017

SUBJECT: ADJUSTED NORTHSTAR REALTY FINANCE CORPORATION –
FURTHER ADJUSTMENT
ADJUSTED OPTION SYMBOL: NRF2
NEW ADJUSTED OPTION SYMBOL: CLNS3
DATE: 1/11/17

Adjusted NorthStar Realty Finance Corporation (adjusted symbol NRF2) options were adjusted on November 2, 2015 (See OCC Information Memo #37842). The new deliverable became 1) 50 NorthStar Realty Finance Corporation (NRF) Common Shares, 2) 16 NorthStar Realty Europe Corporation (NRE) Common Shares, and 3) \$8.36 Cash.

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 currently 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 CLNY 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".

NRF2 options must be further adjusted to reflect the merger consideration as described below.

CONTRACT ADJUSTMENT

EFFECTIVE DATE: January 11, 2017

OPTION SYMBOL: NRF2 changes to CLNS3

CONTRACT MULTIPLIER: 1

STRIKE DIVISOR: 1

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 10.00 yields \$1,000.00)

NEW DELIVERABLE PER CONTRACT:

- 1) 54 Colony NorthStar, Inc. (CLNS) Class A Common Shares
- 2) Cash in lieu of 0.98 CLNS fractional share

- 3) 16 NorthStar Realty Europe Corporation (NRE) Common Shares
- 4) \$8.36 Cash

CUSIPS: (New) CLNS: 19625W104
NRE: 66706L101

SETTLEMENT ALLOCATION: CLNS: 80%
NRE: 20%

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

Until the cash in lieu amount is determined, the underlying price for CLNS3 will be determined as follows:

$$\text{CLNS3} = 0.5498 (\text{CLNS}) + 0.16 (\text{NRE}) + 0.0836$$

DELAYED SETTLEMENT

The CLNS and NRE components of the CLNS3 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CLNS3 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.

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.