



#41194

**DATE: MAY 19, 2017**

**SUBJECT: BCEI1 OPTIONS - EXPIRATION PRICING CONSIDERATION**  
**\* \* \* CORRECTION \* \* \***

BCEI1 (Adjusted Bonanza Creek Energy Inc. options) will be subject to special pricing consideration in expiration processing on May 19, 2017. The pricing consideration is due to the undetermined number of Warrants included in the option deliverable of BCEI1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

**BCEI1**

BCEI1 options are adjusted Bonanza Creek Energy Inc. options, adjusted May 1, 2017, (see OCC Information Memos #41158). The deliverable of BCEI1 options is:

NEW DELIVERABLE  
PER CONTRACT:

- 1) 3 Bonanza Creek Energy, Inc. (BNZZW) Warrants (subject to delayed settlement)
- 2) 100 x the pro rata share of additional future BNZZW warrants distributions, if any
- 3) Cash in lieu of fractional Warrants, if any

As of May 19, 2017, the final warrants distribution amount has not been determined.

**For purposes of calculating a BCEI1 price for use in expiration processing, OCC will use the following formula:**

$$\text{BCEI1} = 0.03 (\text{BNZZW})$$

**For example, if BNZZW closes at 2.50, the BCEI1 price would be:**

$$\text{BCEI1} = 0.03 (2.50) = 0.08$$

**This formula includes an estimate for the value of the BNZZW warrants distributions based on an initial distribution and not the total amount of warrants applicable in the bankruptcy.**

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).