



#31285

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DATE: SEPTEMBER 26, 2012

**SUBJECT: SUNOCO, INC. (ELECTION MERGER) - ANTICIPATED
ADJUSTMENT
OPTION SYMBOL: SUN
NEW SYMBOL: ETP2
PREVIOUSLY ADJUSTED SYMBOL: SUN1
NEW ADJUSTED SYMBOL: ETP1
FUTURES SYMBOLS: SUN1C/SUN1D
NEW SYMBOLS: SUN2C/SUN2D
DATE: 10/5/12??? (ELECTION DEADLINE: 10/1/12???)**

On October 4, 2012, Shareholders of Sunoco, Inc. (SUN) will vote concerning the proposed merger with Energy Transfer Partners, L.P. (ETP).

The Merger: Aggregate Terms

If the merger is approved and consummated, SUN Common Shares will be converted as follows:

- An amount of SUN Shares will be converted into Energy Transfer Partners, L.P. (ETP) Units so that the aggregate ETP common units paid to all Sunoco shareholders is equal to 0.5245 of an ETP common unit per share.
- An amount of SUN Shares will be converted into cash so that the aggregate cash paid to all Sunoco shareholders is equal to \$25.00 per share.

The Merger: Individual Share Elections

Within the terms of the aggregate merger, individual SUN Shareholders may:

- Elect to receive 0.5245 ETP common units and \$25.00 in cash (the Standard Mix Election); OR,
 - Elect to 1.0490 ETP common units (the Unit Election), subject to proration. OR,
 - Elect to receive \$50.00 in cash (the Cash Election), subject to proration. OR,
 - Register no preference by not making an election (Non-Electing).
- Under the terms of the election, shares which are not subject to effective valid election will be treated as non-electing shares and converted into the right to receive the Standard Mix Election.

Elections must be submitted to the Exchange Agent: Computershare Trust Company, N.A. **The election deadline is anticipated to be 5:00 p.m. (New York time) on October 1, 2012.** SUN Shareholders must observe all terms and conditions for the election as specified in the SUN Proxy Statement/ETP Prospectus. Among such items, it should be noted that SUN Shares may be delivered pursuant to an election under

“Notices of Guaranteed Delivery”, which allows delivery of SUN Shares within **three (3) trading days** of submission of the notices. In all cases, Call option holders exercising in order to obtain stock for an election must exercise in sufficient time to be able to make valid delivery pursuant to the election procedures.

The Merger Consideration: Prorations

The Unit Election and the Cash Election will be subject to proration as described in the SUN Proxy Statement/Prospectus.

Effective Date of the Merger

The merger is anticipated to become effective on October 4, 2012.

CONTRACT ADJUSTMENT

DATE:	Contract adjustment is anticipated to occur on October 5, 2012.
OPTION SYMBOLS:	SUN changes to ETP2 SUN1 changes to ETP1
STRIKE DIVISOR:	1
CONTRACT MULTIPLIER:	1
NEW MULTIPLIER:	100 (e.g., for premium or strike price extensions, 1.00 equals \$100)
NEW DELIVERABLE PER CONTRACT:	The deliverable for adjusted SUN options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING SUN SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

ETP2

- 1) 52 Energy Transfer Partners, L.P. (ETP) Common Units
- 2) Cash in lieu of .45 fractional ETP Units
- 3) \$2,500.00 Cash

ETP1 (previously adjusted SUN options – See OCC Info Memos 30013 and 30213)

- 1) 52 Energy Transfer Partners, L.P. (ETP) Common Units
- 2) Cash in lieu of .45 fractional ETP Units
- 3) 53 Suncoke Energy Inc. (SXC) Common Shares
- 4) \$2,500.68 Cash (\$2,500.00 + 0.68)

Delayed Settlement

OCC will delay settlement of the cash portion of the ETP2 and ETP1 deliverables until the cash in lieu of fractional ETP Common Units is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

PRICING

Until the cash in lieu amount is determined, the underlying price for ETP2 will be determined as follows:

$$\text{ETP2} = 0.5245 (\text{ETP}) + 25.00$$

Until the cash in lieu amount is determined, the underlying price for ETP1 will be determined as follows:

$$\text{ETP1} = 0.5245 (\text{ETP}) + .53(\text{SXC}) + 25.00$$

Important Exercise Considerations

Holders of SUN Call options who wish to make their own elections with respect to SUN Shares received through exercise (for example, to receive a consideration other than the Non-Electing consideration) bear sole responsibility in determining when to exercise their options to permit a valid election. After the merger is consummated and the contract adjustment described above is effected, adjusted SUN options will no longer call for the delivery of SUN Shares upon exercise. Call option holders will receive upon exercise (and Put holders deliver upon exercise) the aggregate Non-Electing merger consideration (on a per contract basis).

Futures Contract Adjustment

DATE:	Contract adjustment is anticipated to occur on October 5, 2012.
FUTURES SYMBOL:	SUN1C changes to SUN2C SUN1D changes to SUN2D
NUMBER OF CONTRACTS:	No Change
MULTIPLIER	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT:	The deliverable for adjusted SUN futures will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING SUN SHAREHOLDERS (stated in terms of a current 100-Share deliverable). <ol style="list-style-type: none">1) 52 Energy Transfer Partners, L.P. (ETP) Common Units2) Cash in lieu of .45 fractional ETP Units3) \$2,500.00 Cash

PRICING

Until the cash in lieu amount is determined, the underlying price for the ETP2C and ETP2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{ETP2C} = 0.5245 (\text{ETP}) + 25.00$$

Please note that the valuation would apply only to the ETP2C and ETP2D 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.

Delivery Settlement and Protect Provisions

Option contracts which are exercised, and physically-settled security futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the futures contract maturation or option contract exercise, including rights, warrants, or similar instruments. Additional SUN entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon physically-settled futures contract maturity or option exercise. Conversely, securities not included in the contract deliverable at the time of the option exercise or

futures contract maturity, or other entitlements not associated with the underlying deliverable securities, may preclude holders of long futures contracts from realizing the benefit of such entitlements. For example, if a physically-settled security futures underlying security is the subject of a tender offer, exchange offer, or similar event which expires *before* the futures contract reaches its maturity, the securities due to long futures holders upon maturity *will not* be eligible for participation in the tender/exchange offer. Conversely, if such tender offer, exchange offer or similar event expires *after* the futures contract matures, securities deliverable to long futures holders *will* be eligible for participation in these events.

Except in unusual cases, securities deliverable as a result of equity option exercise or the maturity of physically-settled security futures are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise or assignment or a physically-settled security future delivery or receipt obligation are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such "protect" provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

Special Risks

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs 3 business days after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (3 business-day settlement) or call option exercise (3 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the protect provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day, or less-than-3-business-day settlement) may not be available, or may be expensive for buyers of the underlying security.

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.

CATEGORY: CONTRACT ADJUSTMENT

For questions regarding this memo, call 1-888-OPTIONS or email options@theocc.com