



#34082

**Back to Infomemo Search**

**DATE:** FEBRUARY 5, 2014

**SUBJECT:** GOOGLE INC. - DISTRIBUTION  
OPTION SYMBOLS: GOOG/2GOOG  
NEW SYMBOLS: GOOG1/2GOOG1  
MINI OPTION SYMBOL: GOOG7  
NEW SYMBOL: GOOG8  
FUTURES SYMBOLS: GOOG1C/GOOG1D  
NEW SYMBOLS: GOOG2C/GOOG2D  
DATE: 4/3/14

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** April 3, 2014

**OPTION SYMBOLS:** GOOG changes to GOOG1  
2GOOG changes to 2GOOG1  
GOOG7 changes to GOOG8

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** **GOOG1/2GOOG1:**  
100 (e.g., a premium of 1.50 yields \$150; a strike of 1135 yields \$113,500)  
**GOOG8:**  
10 (e.g., a premium of 1.50 yields \$15; a strike of 1135 yields \$11,350.00)

**NEW DELIVERABLE PER CONTRACT** **GOOG1/2GOOG1:**  
1) 100 Google Inc. (GOOGL) Class A Common Shares  
2) 100 Google Inc. (GOOG) Class C Common Shares  
**GOOG8:**  
1) 10 Google Inc. (GOOGL) Class A Common Shares  
2) 10 Google Inc. (GOOG) Class C Common Shares

**SETTLEMENT ALLOCATION:** GOOGL: TBD

GOOG: TBD

CUSIPS: GOOGL: 38259P508  
GOOG: TBD

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT 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**

The underlying price for GOOG1/2GOOG1 will be determined as follows:

$$\text{GOOG1} = \text{GOOGL} + \text{GOOG}$$

The underlying price for GOOG8 will be determined as follows:

$$\text{GOOG8} = 0.1 (\text{GOOGL}) + 0.1 (\text{GOOG})$$

### **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: April 3, 2014

FUTURES SYMBOLS: GOOG1C changes to GOOG2C  
GOOG1D changes to GOOG2D

SETTLEMENT PRICES: No Change

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT  
1) 100 Google Inc. (GOOGL) Class A Common Shares  
2) 100 Google Inc. (GOOG) Class C Common Shares

SETTLEMENT ALLOCATION: GOOGL: TBD  
GOOG: TBD

CUSIPS: GOOGL: 38259P508  
GOOG: TBD

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 the GOOG2C/GOOG2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{GOOG2C} = \text{GOOGL} + \text{GOOG}$$

Please note that the valuation would apply only to the GOOG2C/GOOG2D deliverables 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.

## **BACKGROUND**

Google Inc. (GOOG) has announced a distribution of Google Inc. (GOOG) Class C Common Shares. The distribution ratio is 1.0 Google Inc. (GOOG) Class C Common Share for each Class A share held. In addition, Google Inc. will change the trading symbol for its Class A Common Share to GOOGL. The record date is March 27, 2014; the payable date is April 2, 2014. The NASDAQ Stock Market has set April 3, 2014, as the ex-distribution date for this distribution.

## **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 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com).**