



#34096

Back to Infomemo Search

DATE: FEBRUARY 7, 2014

SUBJECT: DIGITAL GENERATION, INC. - CONTRACT ADJUSTMENT
OPTION SYMBOL: 2-7-14 DGIT remains DGIT
NEW SYMBOL: 2-10-14 DGIT becomes SZMK1
DATE: 2/7/14

Contract Adjustment

DATE: February 7, 2014

OPTION SYMBOL: 2-7-14 DGIT remains DGIT
2-10-14 DGIT changes to SZMK1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 22.50 yields \$2,250.00)

NEW DELIVERABLE PER CONTRACT: 1) 100 (New) Sizmek Inc (SZMK) Common Shares
2) Approximately \$300.00 Cash (approximately \$3.00 per share x 100)

CUSIP: (New) SZMK: 83013P105

PRICING

Until the final cash amount is determined, the underlying price for SZMK1 will be determined as follows:

$$\text{SZMK1} = \text{SZMK} + 3.00$$

DELAYED SETTLEMENT

The SZMK component of the SZMK1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SZMK1 deliverable until the final cash amount is determined. Upon determination of the final cash amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

BACKGROUND

On February 3, 2014, Shareholders of Digital Generation, Inc. (DGIT) voted concerning the proposed merger agreement with a wholly-owned subsidiary of Extreme Reach, Inc. The proposed transaction will occur in two integrated steps. First, Digital Generation, Inc. (DGIT) will distribute common shares of (New) Sizmek Inc (SZMK) to DGIT shareholders. The distribution ratio is 1.0 SZMK common share for each DGIT share held. Following the distribution, the remainder of Digital Generation, Inc. will be acquired by Dawn Blackhawk Acquisition Corp., a wholly-owned subsidiary of Extreme Reach, Inc. for approximately \$3.00 in cash for each DGIT Common Share owned. The merger agreement was approved and subsequently consummated before the open on February 7, 2014. Additionally, the spinoff transaction was completed. As a result, each existing DGIT Common Share will be converted into the right to receive 1 (one) Sizmek Inc (SZMK) Common Share plus approximately \$3.00 Cash.

Sizmek Inc (SZMK) Common Shares began trading on the NASDAQ Stock Market on February 7, 2014.

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.

For questions regarding this memo, call 1-888-678-4667 or email investorservices@theocc.com.