



# THE OPTIONS CLEARING CORPORATION

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**DATE:** AUGUST 4, 2005

**SUBJECT:** ADJUSTED PC MALL, INC - SETTLEMENT  
OPTION SYMBOL: QNO

Exercise and assignment activity of QNO options (adjusted PC Mall, Inc (“MALL”) options) has been delayed pending the determination of the cash in lieu amount for .71 eCOST.com, Inc. (“ECST”) Common Shares (See The Options Clearing Corporation (“OCC”) Information Memo #20504).

OCC has been informed that a price of \$4.61 per whole ECST share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$.71 \times \$4.61 = \$3.27 \text{ per QNO Contract}$$

QNO options exercised April 12, 2005, through August 4, 2005, which were subject to delayed settlement, will settle August 9, 2005. QNO options exercised August 5, 2005, and thereafter will be subject to normal three business day settlement.

The terms of QNO options are as follows:

### New Deliverable

Per Contract:

- 1) 100 PC Mall, Inc. (“MALL”) Common Shares
- 2) 120 eCOST.com, Inc. (“ECST”) Common Shares
- \*3) \$3.27 Cash

\*The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable.

**STRIKE PRICES:** Unchanged

**CUSIP:** MALL:69323K100  
ECST: 27922W107

**MULTIPLIER:** 100 (i.e., a premium of 1.50 yields \$150; a strike of 5 yields \$500.00)

## **SETTLEMENT**

The MALL and ECST components of the QNO option deliverable will settle through National Securities Clearing Corporation (“NSCC”); 35% of the aggregate strike price will be allocated to the MALL component and 65% to the ECST component. The \$3.27 cash component will settle through OCC’s cash settlement system.

## **PRICING**

The underlying price of QNO options will be determined as follows:

$$\text{QNO} = \text{MALL} + 1.20(\text{ECST}) + .0327$$

For example if MALL closes at 4, ECST closes at 4, the QNO price would be:

$$\text{QNO} = 4 + 1.20(4) + .0327 = 8.83$$

**CATEGORY: CONTRACT ADJUSTMENT**

**SUB-CATEGORY: ADJUSTED SETTLEMENT**