



#37949

DATE: DECEMBER 7, 2015

SUBJECT: LADDER CAPITAL CORP. - STOCK DIVIDEND (ELECTION)
OPTION SYMBOL: LADR
NEW SYMBOL: LADR1
DATE: 12/8/15
*** * * CORRECTION – ELECTION DEADLINE * * ***

Ladder Capital Corp. (LADR) has declared a \$1.45 dividend payable in cash or stock to LADR Common Shareholders. LADR Shareholders have the right to elect to receive the dividend in Common Stock (share election) or cash (cash election). In aggregate, the amount of cash to be distributed will be limited to a maximum of 20% of the distribution, with the remainder to be paid in the form of LADR Common Shares. **The Election Deadline is January 8, 2016.** LADR Shareholders who fail to make an election will receive the dividend in the form of shares. The exact amount of Common Shares to be received by non-electing shareholders will be determined by the company after the Election Deadline on a date to be announced.

The New York Stock Exchange ("NYSE") has set December 8, 2015 as the ex-distribution date for the dividend. The Payable Date is January 21, 2016. The Record Date is December 10, 2015.

Adjustment Determination

Adjustment determinations are made by a panel of the OCC Securities Committee in accordance with Article VI, Sections 11 and 11A of the OCC By-Laws. The contract adjustment described below was established by the LADR adjustment panel of the Securities Committee by applying Interpretation .01 to Article VI, Section 11A of the OCC By-Laws to the dividend in the form that will be received by non-electing shareholders.

Since it is expected that the dividend will be paid entirely in stock to non-electing LADR shareholders, the stock dividend provision contained in Interpretation .01 was utilized. Interpretation .01 states:

Stock dividends or distributions by the issuer of the underlying security (i) in an aggregate amount per dividend or distribution which does not exceed 10% of the number of shares or other units of the underlying security outstanding as of the close of trading on the declaration date, and (ii) which the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly basis, will, as a general rule, be deemed to be "ordinary stock dividends or distributions" within the meaning of paragraph (c) of Section 11A.

Pursuant to the terms of the Interpretation .01, a stock dividend that is less than a 10% stock dividend and occurs on a quarterly basis will be considered an ordinary stock dividend. Dividends meeting these criteria of an ordinary dividend will generally not result in an adjustment. Because it is anticipated that \$1.45 dividend will be paid in stock for non-electing shares, the adjustment determination was made by examining the closing price of LADR on the declaration date of the dividend. Since LADR closed at \$14.04 on December 1, 2015, the \$1.45 dividend is greater than 10% of the value of LADR shares as of that date and consequently should result in a stock dividend percentage greater than 10%. As a stock dividend greater than 10%, the LADR \$1.45 dividend is an adjustable event under the OCC By-Laws.

It must be noted that the value used to determine the final stock dividend rate will not be determined by the company until after the election deadline. As a result, there is a possibility that the final dividend could be less than a 10% stock dividend; however, in order to provide greater certainty to the market, the adjustment determination will not change if the final distribution amount is less than 10% in this case. Because the ex-date of the distribution will predate the determination of the actual stock dividend percentage to be received by non-electing shareholders, the adjustment determination has been made based on the LADR trading price and resulting expectation of the stock dividend percentage as of the declaration date of the dividend. To maintain a fair and orderly market and as a practical matter, the contract adjustment will not be cancelled after the ex-date if the final amount of the stock dividend received by non-electing shareholders is determined by the company to be less than 10%. The stock dividend adjustment will also include cash in lieu of fractional shares, if any.

Although it is anticipated that the non-electing dividend will be paid out entirely in stock, if any portion of the dividend is paid to non-electing shareholders as a cash dividend, any such amount will be construed under the cash dividend provisions of the By-Laws. Interpretation .01 describes an ordinary cash dividend as follows:

...cash dividends or distributions (regardless of size) by the issuer of the underlying security which the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly or other regular basis will, as a general rule, be deemed to be "ordinary cash dividends or distributions" within the meaning of paragraph (c) of Section 11A.

Cash dividends deemed to be ordinary pursuant to Section 11A will not result in a contract adjustment. Since the \$1.45 LADR is a quarterly dividend, the cash portion, if any, is being paid pursuant to a "policy or practice of paying dividends" and therefore does not warrant adjustment as a cash dividend. The Securities Committee recognizes that approximately \$0.90 of the LADR dividend is characterized as a one-time distribution. Such amount is considered addressed by the stock dividend contract adjustment. Without a designation by the company to classify the remaining portion of the dividend as special, any portion of the \$1.45 dividend paid as a cash dividend to non-electing shareholders will be considered an ordinary cash dividend and consequently will not result in an adjustment.

As stated above, the Election Deadline is January 8, 2015. Consequently, LADR1 exercise and assignment activity will be subject to delayed settlement from December 8, 2015 through the establishment of the final non-electing stock dividend amount, which will not occur until after the Election Deadline. It is currently not known when the final stock dividend amount will be determined by LADR.

Exercise Consideration – On December 8, 2015, LADR options will become adjusted symbol LADR1. The deliverable for LADR1 will reflect the additional amount of stock distributed for the dividend to shareholders who failed to make a valid election. LADR Call option holders who do not wish to receive the Special Dividend in the form distributed for non-electing shareholders must exercise their options in sufficient time in advance of the contract adjustment to observe all conditions of the election. In all cases, it is the sole responsibility of persons holding call options seeking to participate in the election to determine when to exercise their options and to comply with all terms and conditions of the election.

Contract Adjustment

Effective Date:	December 8, 2015
Option Symbol:	LADR changes to LADR1
Contract Multiplier:	1
Strike Divisor:	1

New Multiplier: 100 (e.g., for premium or strike dollar extensions 1.00 will equal \$100)

New Deliverable
Per Contract:

- 1) 100 Ladder Capital Corp. (LADR) Common Shares
- 2) An additional amount of LADR Common Shares anticipated to be valued at approximately \$145.00 (\$1.45 x 100)
- 3) Cash in lieu of fractional LADR shares, if any

CUSIP: 505743104

PRICING

Until the exact amount of additional LADR shares and the cash in lieu amount of fractional LADR shares, if any, to be included in the LADR1 deliverable are determined, the underlying price for LADR1 will be determined as follows:

$$\text{LADR1} = \text{LADR} + 1.45$$

DELAYED SETTLEMENT

OCC will delay settlement of both the LADR component and the cash in lieu component, if any, of the LADR1 deliverable until the exact amount of LADR shares and the cash in lieu amount, if any, to be included in the LADR1 deliverable are determined. Upon determination of the LADR distribution rate and the cash in lieu of fractional share amount, if any, OCC will require Put exercisers and Call assignees to deliver the appropriate share and cash amounts. Once determined, the LADR component of the LADR1 deliverable will settle through National Securities Clearing Corporation (NSCC). Clearing members should remind customers that settlement of LADR1 exercise/ assignment activity will include a future obligation to deliver LADR Common Shares and pay the cash in lieu amount, if any.

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.

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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.