



#39230

DATE: JUNE 28, 2016

**SUBJECT: FURTHER ADJUSTED OCCIDENTAL PETROLEUM CORPORATION - CASH IN LIEU SETTLEMENT
ADJUSTED OPTION SYMBOL: OXY1**

Further adjusted Occidental Petroleum Corporation (adjusted symbol OXY1) options were adjusted on June 1, 2016 (See OCC Information Memo #39039).

The new deliverable became 1) 100 Occidental Petroleum Corporation (OXY) Common Shares, 2) 4 California Resources Corporation (CRC) Common Shares, 3) Cash in lieu of 0.9 fractional CRC shares, and 3) \$0.37 Cash. Only settlement of the cash portion of OXY1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$15.463523 per whole CRC share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.9 \times \$15.463523 = \$13.92 \text{ per OXY1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of June 1, 2016 through June 28, 2016, to deliver the appropriate cash amount.

Terms of the OXY1 options are as follows:

New Deliverable Per Contract: 1) 100 Occidental Petroleum Corporation (OXY) Common Shares
2) 4 California Resources Corporation (CRC) Common Shares
3) \$14.29 Cash (\$0.37 + \$13.92)

STRIKE PRICES: Unchanged

CUSIPS: OXY: 674599105
CRC: 13057Q206

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

SETTLEMENT

The OXY and CRC components of OXY1 exercise/assignment activity from June 1, 2016 through June 27, 2016, has settled through National Security Clearing Corporation (NSCC). The \$14.29 cash amount will be settled by OCC.

PRICING

The underlying price for OXY1 options will be determined as follows:

$$\text{OXY1} = \text{OXY} + 0.04 (\text{CRC}) + 0.1429$$

For example, if OXY closes at 72.81 and CRC closes at 12.34, the OXY1 price would be calculated as follows:

$$\text{OXY1} = 72.81 + 0.04 (12.34) + 0.1429 = 73.45$$

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.