



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#44621**

**DATE: FEBRUARY 26, 2019**

**SUBJECT: GENERAL ELECTRIC COMPANY – DISTRIBUTION**  
**OPTION SYMBOLS: GE/1GE/2GE**  
**NEW SYMBOLS: GE1/1GE1/2GE1**  
**FUTURES SYMBOL: GE1D**  
**NEW SYMBOL: GE2D**  
**DATE: 02/26/19**  
**\*\*\* UPDATE \*\*\***

**CONTRACT ADJUSTMENT – OPTIONS**

**EFFECTIVE DATE:** February 26, 2019

**OPTION SYMBOLS:** GE changes to GE1  
1GE changes to 1GE1  
2GE changes to 2GE1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 10.00 yields \$1,000.00)

**NEW DELIVERABLE PER CONTRACT:**  
1) 100 General Electric Company (GE) Common Shares  
2) Cash in lieu of **0.5371** fractional WAB shares

**CUSIP:** GE: 369604103

**PRICING**

Until the cash in lieu amount is determined, the underlying price for GE1/1GE1/2GE1 will be determined as follows:

$$\text{GE1} = \text{GE} + 0.005371 \text{ (WAB)}$$

**DELAYED SETTLEMENT**

The GE component of the GE1/1GE1/2GE1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the GE1/1GE1/2GE1 deliverable until the cash in lieu of fractional WAB shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

### **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: February 26, 2019

FUTURES SYMBOL: GE1D changes to GE2D

Note: All active General Electric Company (GE) futures will be adjusted in a manner similar to that of GE1D futures.

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 General Electric Company (GE) Common Shares  
2) **Cash in lieu of 0.5371 fractional WAB shares**

CUSIPS: GE: 369604103

### **PRICING**

Until the cash in lieu amount is determined, the underlying price for the GE2D Futures/all active GE futures contracts deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{GE2D} = \text{GE} + 0.005371 (\text{WAB})$$

Please note that the valuation would apply only to the GE2D/all active GE futures 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.

### **DELAYED SETTLEMENT**

The GE component of the GE2D/all active GE futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the GE2D/all active GE futures deliverables until the cash in lieu amount is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

### **BACKGROUND**

General Electric Company (GE) has announced a spinoff distribution of its subsidiary Transportation Systems Holdings Inc. ("Spinco"). Immediately following the spinoff, Spinco will merge with a subsidiary of Wabtec Corporation (WAB). When the spinoff and merger transactions are completed, General Electric Company shareholders will receive **0.005371** of a WAB share for each GE share held. The record date is February 14, 2019; the payable date is February 25, 2019. The NYSE has set February 26, 2019, as the ex-distribution date for this distribution. Cash will be paid in lieu of fractional shares.

## **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 OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. 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](mailto: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](mailto:memberservices@theocc.com).