



**THE FOUNDATION
FOR SECURE
MARKETS**

#46961

DATE: MAY 8, 2020

**SUBJECT: ADJUSTED UNITED STATES OIL FUND, LP - CASH IN LIEU
SETTLEMENT
ADJUSTED OPTION SYMBOL: USO1
ADJUSTED FUTURES SYMBOL: USO2D**

Adjusted United States Oil Fund, LP options and futures were adjusted on April 29, 2020 (See OCC Information Memo's #46881 and #46882). The new deliverable became 1) 12 United States Oil Fund, LP (USO) Common Shares, and 2) Cash in lieu of 0.5 fractional USO Shares. Only settlement of the cash portion of USO1 options exercise/assignment activity and USO2D futures settlement was subject to delayed settlement.

OCC has been informed that a price of \$16.35028 per whole USO share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.5 \times \$16.35028 = \$8.18 \text{ per USO1 and USO2D Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of April 29, 2020 through May 8, 2020, to deliver the appropriate cash amount.

Terms of the USO1 options and USO2D futures are as follows:

New Deliverable Per Contract: 1) 12 United States Oil Fund, LP (USO) Common Shares
2) \$8.18 Cash

STRIKE PRICES: Unchanged

CUSIP: USO: 91232N207

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

SETTLEMENT

The USO component of USO1 exercise/assignment activity and USO2D futures settlement from April 29, 2020 through May 7, 2020, has settled through National Security Clearing Corporation (NSCC). The \$8.18 cash amount will be settled by OCC.

PRICING

The underlying price for USO1 options and USO2D futures will be determined as follows:

$$\text{USO1} = 0.12 (\text{USO}) + 0.0818$$

For example, if USO closes at 20.46, the USO1 price would be calculated as follows:

$$\text{USO1} = 0.12 (20.46) + 0.0818 = 2.54$$

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