



**THE FOUNDATION
FOR SECURE
MARKETS**

#47007

DATE: MAY 18, 2020

**SUBJECT: TD AMERITRADE HOLDING CORPORATION – ANTICIPATED
ADJUSTMENT
OPTION SYMBOL: AMTD
NEW SYMBOL: SCHW1
FUTURES SYMBOL: AMTD1D
NEW SYMBOL: AMTD2D
DATE: ???**

Contract Adjustment

DATE: Effective the opening of the business day after the merger is consummated.
Contract adjustment is anticipated to occur in the second half of 2020.

OPTION SYMBOL: AMTD changes to SCHW1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 40.00 yields \$4,000.00)

**NEW DELIVERABLE
PER CONTRACT:** 1) 108 The Charles Schwab Corporation (SCHW) Common Shares
2) Cash in lieu of 0.37 fractional SCHW shares

CUSIP: SCHW: 808513105

PRICING

Until the cash in lieu of fractional shares is determined, the underlying price for SCHW1 will be determined as follows:

$$\text{SCHW1} = 1.0837 (\text{SCHW})$$

DELAYED SETTLEMENT

The SCHW component of the SCHW1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SCHW1 deliverable until the cash in lieu of fractional SCHW 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.

Futures Contract Adjustment

DATE:	Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the second half of 2020.
FUTURES SYMBOLS:	AMTD1D changes to AMTD2D
NUMBER OF CONTRACTS:	No Change
MULTIPLIER	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT:	1) 108 The Charles Schwab Corporation (SCHW) Common Shares 2) Cash in lieu of 0.37 fractional SCHW shares
CUSIP:	SCHW: 808513105

PRICING

Until the cash in lieu of fractional shares is determined, the underlying price for the AMTD2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{AMTD2D} = 1.0837 (\text{SCHW})$$

Please note that the valuation would apply only to the AMTD2D deliverable 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 SCHW component of the AMTD2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the AMTD2D deliverable until the cash in lieu of fractional SCHW shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On June 4, 2020, Shareholders of TD Ameritrade Holding Corporation (AMTD) will vote concerning the proposed merger with The Charles Schwab Corporation (SCHW). If the merger is approved and consummated, each existing AMTD Common Share will be converted into the right to receive 1.0837 SCHW Common Shares. Cash will be paid in lieu of fractional SCHW 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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.