



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47030**

**DATE:** MAY 21, 2020

**SUBJECT:** OVERSTOCK.COM, INC. – DISTRIBUTION  
OPTION SYMBOL: OSTK  
NEW SYMBOL: OSTK1  
DATE: 4/24/20  
\* \* \* UPDATE \* \* \*

On February 13, 2020, Overstock.com, Inc. (OSTK) Shareholders approved a Digital Series A-1 Preferred Stock Dividend at a distribution rate of 1 Digital Series A-1 Preferred Share (“OSTKO”) per every 10 OSTK shares held. Although OSTKO Shares will be registered with the Securities and Exchange Commission (“SEC”) and transferable by non-affiliates upon distribution, OSTKO Shares currently can only trade on an alternative trading system, tZERO ATS.

The record date was April 27, 2020; the payable date was May 19, 2020. The ex-distribution date for this distribution was April 24, 2020.

**CONTRACT ADJUSTMENT DETERMINATION AND UPDATE TO ADJUSTMENT METHOD**

Pursuant to Article VI, Section 11A of the OCC By-Laws, OCC will adjust OSTK options for the OSTKO distribution by determining a cash value equivalent for the distributed OSTKO shares. OSTK options will be adjusted by changing option symbol OSTK to OSTK1 and including a cash component for the cash value equivalent of distributed OSTKO shares in the adjusted OSTK1 deliverable. OSTK1 options will deliver 1) 100 OSTK Shares and 2) the cash value equivalent of 10 OSTKO shares (100 x 0.10 OSTKO share per OSTK share distribution ratio). The cash component will be subject to delayed settlement until the cash value equivalent can be determined. **The method for determining the cash value equivalent for OSTKO shares is to be determined.**

**CONTRACT ADJUSTMENT**

**EFFECTIVE DATE:** April 24, 2020

**NEW MULTIPLIER:** 100 (e.g., for premium extensions a premium of 1.50 equals \$150.00; a strike of 5.00 yields \$500.00).

**CONTRACT MULTIPLIER:** 1

**STRIKE PRICES:** No change

**OPTION SYMBOL:** OSTK changes to OSTK1

**DELIVERABLE PER**

**CONTRACT:**

- 1) 100 Overstock.com, Inc. (OSTK) Common Shares
- 2) The cash value equivalent of 10 Overstock.com Inc. (OSTKO) Digital Series A-1 Preferred Shares (100 x 0.10 OSTKO share per OSTK share distribution ratio)

**CUSIP:**

690370101

**PRICING**

Until the cash value equivalent is determined, the underlying price for OSTK1 options will be determined as follows:

$$\text{OSTK1} = \text{OSTK} + 0.10 (\text{OSTKO})$$

**DELAYED SETTLEMENT**

The OSTK component of OSTK1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the OSTK1 deliverable until the cash value equivalent of OSTKO shares is determined. Upon determination of the cash value equivalent, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

**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).