



**THE FOUNDATION
FOR SECURE
MARKETS**

#47035

DATE: MAY 22, 2020

SUBJECT: OSTK1 OPTIONS - EXPIRATION PRICING CONSIDERATION

OSTK1 (adjusted Overstock.com, Inc. options) will be subject to special pricing consideration in expiration processing on May 22, 2020. The pricing consideration is due to the undetermined cash amount included in the option deliverable of OSTK1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

OSTK1

OSTK1 options are adjusted Overstock.com, Inc. options, adjusted April 24, 2020, (see OCC Information Memo #47030). The deliverable of OSTK1 options is:

**NEW 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)

As of May 22, 2020, the cash value equivalent of 10 Overstock.com Inc. (OSTKO) Digital Series A-1 Preferred Shares has not been determined.

For purposes of calculating an OSTK1 price for use in expiration processing, OCC will use the following formula:

$$\text{OSTK1} = \text{OSTK}$$

For example, if OSTK closes at 17.85, the OSTK1 price would be:

$$\text{OSTK1} = 17.85$$

This formula does not include an estimate of the cash value equivalent of the OSTKO shares included in the deliverable.

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