



**THE FOUNDATION
FOR SECURE
MARKETS**

#47438

DATE: AUGUST 13, 2020

**SUBJECT: ADJUSTED CARRIZO OIL & GAS INC. - CASH IN LIEU
SETTLEMENT
ADJUSTED OPTION SYMBOL: CPE1**

Adjusted Carrizo Oil & Gas Inc. options were adjusted on December 23, 2019 and again on August 10, 2020 (See OCC Information Memos #46234 and #47393). The new deliverable became 1) 17 Callon Petroleum Company (CPE) Common Shares, and 2) Cash in lieu of 0.5 fractional CPE shares. Only settlement of the cash portion of CPE1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$8.86 per whole CPE share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.5 \times \$8.86 = \$4.43 \text{ per CPE1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of August 10, 2020 through August 13, 2020, to deliver the appropriate cash amount.

Terms of the CPE1 options are as follows:

New Deliverable Per Contract: 1) 17 Callon Petroleum Company (CPE) Common Shares
2) \$4.43 Cash

STRIKE PRICES: Unchanged

CUSIP: CPE: 13123X508

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

SETTLEMENT

The CPE component of CPE1 exercise/assignment activity from August 10, 2020 through August 12, 2020, has settled through National Security Clearing Corporation (NSCC). The \$4.43 cash amount will be settled by OCC.

PRICING

The underlying price for CPE1 options will be determined as follows:

$$\text{CPE1} = 0.17 (\text{CPE}) + 0.0443$$

For example, if CPE closes at 10.69, the CPE1 price would be calculated as follows:

$$\text{CPE1} = 0.17 (10.69) + 0.0443 = 1.86$$

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.