



**THE FOUNDATION
FOR SECURE
MARKETS**

#47574

DATE: SEPTEMBER 14, 2020

**SUBJECT: ADJUSTED DIREXION DAILY SEMICONDUCTOR BEAR 3X
SHARES - CASH IN LIEU SETTLEMENT
ADJUSTED OPTION SYMBOL: SOXS1**

Adjusted Direxion Daily Semiconductor Bear 3X Shares options were adjusted on August 28, 2020 (See OCC Information Memo #47420). The new deliverable became 1) 8 Direxion Daily Semiconductor Bear 3X Shares (SOXS), and 2) Cash in lieu of approximately 0.3333 fractional SOXS shares. Only settlement of the cash portion of SOXS1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$43.570184 per whole SOXS share will be used to determine the cash in lieu amount at a rate of 0.3333. Accordingly, the cash in lieu amount is:

$$0.3333 \times \$43.570184 = \$14.52 \text{ per SOXS1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of August 28, 2020 through September 14, 2020, to deliver the appropriate cash amount.

Terms of the SOXS1 options are as follows:

New Deliverable Per Contract: 1) 8 Direxion Daily Semiconductor Bear 3X Shares (SOXS)
2) \$14.52 Cash

STRIKE PRICES: Unchanged

CUSIP: SOXS: 25460G690

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

SETTLEMENT

The SOXS component of SOXS1 exercise/assignment activity from August 28, 2020 through September 11, 2020, has settled through National Security Clearing Corporation (NSCC). The \$14.52 cash amount will be settled by OCC.

PRICING

The underlying price for SOXS1 options will be determined as follows:

$$\text{SOXS1} = 0.08 (\text{SOXS}) + 0.1452$$

For example, if SOXS closes at 46.38, the SOXS1 price would be calculated as follows:

$$\text{SOXS1} = 0.08 (46.38) + 0.1452 = 3.86$$

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.