



**THE FOUNDATION
FOR SECURE
MARKETS**

#47696

DATE: OCTOBER 9, 2020

SUBJECT: SCHW1 OPTIONS - EXPIRATION PRICING CONSIDERATION

SCHW1 (adjusted TD Ameritrade Holding Corporation options) will be subject to special pricing consideration in expiration processing on October 9, 2020. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of SCHW1 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.

SCHW1

SCHW1 options are adjusted TD Ameritrade Holding Corporation options, adjusted October 6, 2020 (see OCC Information Memo #47681). The deliverable of SCHW1 options is:

NEW DELIVERABLE

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

As of October 9, 2020, the AMTD Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an SCHW1 price for use in expiration processing, OCC will use the following formula:

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

For example, if SCHW closes at 37.74, the SCHW1 price would be:

$$\text{SCHW1} = 1.0837 (37.74) = 40.90$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the merger.

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.