



**DATE: OCTOBER 9, 2020**

**SUBJECT: LIVONGO HEALTH, INC. - ANTICIPATED ADJUSTMENT  
OPTION SYMBOL: LVGO  
NEW SYMBOL: TDOC1  
DATE: ???**

**Contract Adjustment**

**DATE:** Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the fourth quarter of 2020.

**OPTION SYMBOL:** LVGO changes to TDOC1

**STRIKE DIVISOR:** 1

**CONTRACTS MULTIPLIER:** 1

**NEW MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 140 yields \$14,000.00)

**NEW DELIVERABLE PER CONTRACT:**

- 1) 59 Teladoc Health, Inc. (TDOC) Common Shares
- 2) Cash in lieu of 0.20 fractional TDOC shares
- 3) \$1,133.00 Cash ((\$4.24 + \$7.09 special dividend) x 100)

**CUSIP:** TDOC: 87918A105

**PRICING**

Until the cash in lieu of fractional shares is determined, the underlying price for TDOC1 will be determined as follows:

$$\text{TDOC1} = 0.5920 (\text{TDOC}) + 11.33$$

**DELAYED SETTLEMENT**

The TDOC component of the TDOC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TDOC1 deliverable until the cash in lieu of fractional TDOC shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **BACKGROUND**

On October 29, 2020, Shareholders of Livongo Health, Inc. (LVGO) will vote concerning the proposed merger with Teladoc Health, Inc. (TDOC). If the merger is approved and consummated, each existing LVGO Common Share will be converted into the right to receive 0.5920 TDOC Common Shares, plus \$4.24 cash. Additionally, LVGO shareholders as of a record date immediately prior to the closing of the merger will be entitled to a \$7.09 special cash dividend, contingent upon the completion of the merger. Cash will be paid in lieu of fractional TDOC shares.

## **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).