



**THE FOUNDATION
FOR SECURE
MARKETS**

#47730

DATE: OCTOBER 15, 2020

SUBJECT: PDLI2 OPTIONS - EXPIRATION PRICING CONSIDERATION

PDLI2 (adjusted PDL BioPharma, Inc. options) will be subject to special pricing consideration in expiration processing on October 16, 2020. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of PDLI2 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.

PDLI2

PDLI2 options are adjusted BioPharma, Inc. options, adjusted October 2, 2020 (see OCC Information Memo #47663). The deliverable of PDLI2 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 100 PDL BioPharma, Inc. (PDLI) Common Shares
- 2) 7 LENSAR, Inc. (LNSR) Common Shares
- 3) Cash in lieu of 0.5879 fractional LNSR Shares

As of October 15, 2020, the PDLI Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an PDLI2 price for use in expiration processing, OCC will use the following formula:

$$\text{PDLI2} = \text{PDLI} + 0.075879 (\text{LNSR})$$

For example, if PDLI closes at 2.41 and LNSR closes at 9.15, the PDLI2 price would be:

$$\text{PDLI2} = 2.41 + 0.075879 (9.15) = 3.10$$

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

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.