



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47736**

**DATE: OCTOBER 16, 2020**

**SUBJECT: CHPQ1 OPTIONS - EXPIRATION PRICING CONSIDERATION**

CHPQ1 (adjusted Chaparral Energy, 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 amount, number of warrants, if any, and undetermined symbol and trading status of warrants included in the option deliverable of CHPQ1 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.

**CHPQ1**

CHPQ1 options are adjusted Chaparral Energy, Inc. options, adjusted October 15, 2020, (see OCC Information Memo #47721). The deliverable of CHPQ1 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 100 x the pro rata cash portion of the All Holder Settlement Portion, if any
- 2) 100 x the pro rata portion of New Warrants-A, if any
- 3) 100 x the pro rata portion of New Warrants-B, if any

As of October 16, 2020, the cash amount, and number warrants, if any, included in the CHPQ1 deliverable has not been confirmed, and no market has developed in the U.S. for the Warrants.

For purposes of calculating CHPQ1 price for use in expiration processing, OCC will use the last trading price for CHAPQ of \$0.04, therefore:

$$\text{CHPQ1} = 0.04$$

This formula uses the last trading price for CHAPQ and not the actual cash amount and value of the warrants as of October 16, 2020.

**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).