



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47860**

**DATE: NOVEMBER 18, 2020**

**SUBJECT: MONTAGE RESOURCES CORPORATION - CASH IN LIEU  
SETTLEMENT  
ADJUSTED OPTION SYMBOL: SWN1**

Montage Resources Corporation options were adjusted on November 13, 2020 (See OCC Information Memo #47828). The new deliverable became 1) 186 Southwestern Energy Company (SWN) Common Shares, and 2) Cash in lieu of 0.56 fractional SWN shares. Only settlement of the cash portion of SWN1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$2.98 per whole SWN share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.56 \times \$2.98 = \$1.67 \text{ per SWN1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of November 13, 2020 through November 18, 2020, to deliver the appropriate cash amount.

Terms of the SWN1 options are as follows:

New Deliverable Per Contract: 1) 186 Southwestern Energy Company (SWN) Common Shares  
2) \$1.67 Cash

STRIKE PRICES: Unchanged

CUSIP: SWN: 845467109

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

### **SETTLEMENT**

The SWN component of SWN1 exercise/assignment activity from November 13, 2020 through November 17, 2020, has settled through National Security Clearing Corporation (NSCC). The \$1.67 cash amount will be settled by OCC.

### **PRICING**

The underlying price for SWN1 options will be determined as follows:

$$\text{SWN1} = 1.86 (\text{SWN}) + 0.0167$$

For example, if SWN closes at 3.02, the SWN1 price would be calculated as follows:

$$\text{SWN1} = 1.86 (3.02) + 0.0167 = 5.63$$

## **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).