



**THE FOUNDATION
FOR SECURE
MARKETS**

#47901

DATE: NOVEMBER 25, 2020

**SUBJECT: ADJUSTED HC2 HOLDINGS, INC. – BROKER-TO-BROKER
SETTLEMENT/RIGHTS EXPIRATION/POSITION CONSOLIDATION
ADJUSTED OPTION SYMBOL: HCHC1
CONSOLIDATION EFFECTIVE DATE: 11/27/20**

Adjusted HC2 Holdings, Inc. options (adjusted symbol HCHC1) were adjusted on October 8, 2020 to deliver 1) 100 HC2 Holdings, Inc. (HCHC) Common Shares and 2) 100 Rights (HCHC RT). (See OCC Information Memo #47687.)

Broker-to-Broker Settlement

HC2 Holdings, Inc. (HCHC RT) Rights were not listed for trading on a U.S. Market. Consequently, exercise/assignment activity from October 8, 2020 through November 20, 2020, will be subject to broker to broker settlement.

Pursuant to OCC By-Law Article VI, Section 19, OCC has determined that, effective with exercises of October 8, 2020 to November 20, 2020, all HCHC1 exercise and assignment activity shall settle on a broker-to-broker basis. If it is not possible for the delivering Clearing Member to effect delivery of the HCHC RT rights on the designated settlement date, then the settlement obligations of both delivering and receiving Members shall be delayed until such time as OCC designates a new exercise settlement date, settlement method and/or settlement value. This determination allows delivering Members the opportunity to effect settlement if they have HCHC RT rights and are able to effect delivery, but delays the settlement obligation when this is not possible. Both the delivering and receiving Clearing Members are required to immediately notify OCC if they are unable to effect settlement.

In determining that delivery of the HCHC RT rights is in fact not possible in respect of a given exercise or assignment, OCC shall require an appropriate officer(s) of the delivering Clearing Member to represent in writing that delivery is not possible. (Upon exercise or assignment of HCHC1 options, OCC will contact each delivering Clearing Member to provide the specific requirements and procedures for such representation.)

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

Broker-to-Broker Delivery Advice/Settlement Procedures

Clearing Members should note that HCHC1 exercise and assignment activity will be reported on the **Broker-to-Broker Delivery Advice**, which is a separate report from the regular Delivery Advice. Members will need to refer to this report each day to be informed of HCHC1 exercise/assignment activity. The Broker-to-Broker Delivery Advice will also identify the opposite side Clearing Member with whom settlement is to be made. **Members are responsible for contacting the opposite side on all HCHC1 activity and for making arrangements for settlement. Both delivering and receiving Members are**

also reminded of their obligation to inform OCC when settlement is made. OCC will continue to margin HCHC1 exercise/assignment activity until settlement is accomplished.

Position Consolidation

On November 25, 2020, the deliverable of adjusted HC2 Holdings, Inc. (adjusted option symbol HCHC1) options was further adjusted to no longer call for delivery of HCHC RT Rights due to expiration of the HCHC RT Rights on November 20, 2020. The deliverable for HCHC1 options is now 100 HC2 Holdings, Inc. (HCHC) Common Shares.

HC2 Holdings, Inc. options (option symbol HCHC) also deliver 100 HC2 Holdings, Inc. (HCHC) Common Shares. Consequently, OCC will consolidate all HCHC1 options into HCHC, thereafter eliminating the trading symbol HCHC1. The consolidation will be effective before the opening of business on November 27, 2020.

The position consolidations will take place after all positions processing Wednesday, November 25, 2020 and before the start of business on Friday, November 27, 2020.

All Clearing Member input of existing HCHC1 options must use symbol HCHC for activity commencing Friday, November 27, 2020.

CONTRACT ADJUSTMENT

Effective Date:	November 27, 2020
Option Symbol:	HCHC1 becomes HCHC
Contract Multiplier:	1
Strike Divisor:	1
New Multiplier:	100 (e.g., for premium or strike dollar extensions 1.00 will equal \$100)
New Deliverable Per Contract:	100 HC2 Holdings, Inc. (HCHC) Common Shares
CUSIP:	404139107

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 The 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@theoec.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoec.com.