



DATE: DECEMBER 8, 2020

**SUBJECT: ADJUSTED APARTMENT INVESTMENT AND MANAGEMENT
COMPANY – CASH IN LIEU SETTLEMENT
ADJUSTED OPTION SYMBOL: AIV1**

Adjusted Apartment Investment and Management Company options (adjusted symbol AIV1) were adjusted on November 3, 2020 for a special election dividend and again on December 1, 2020, for a reverse split (See OCC Information Memo #47936).

The new deliverable became 1) 98 Apartment Investment and Management Company (AIV) Class A Common Shares, 2) \$20.92 Cash, 3) Cash in lieu of 0.69345025 fractional post-split AIV shares applicable in the special dividend, and 4) Cash in lieu of approximately 0.7617 fractional AIV shares resulting from the reverse split. Only settlement of the cash portion of AIV1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$38.36 (\$30.98 adjusted to reflect a 1-for-1.23821 reverse split) per whole AIV share will be used to determine the cash in lieu amount at a post-split rate of 0.69345025 applicable in the special dividend, and a price of \$39.29 per whole AIV share will be used to determine the cash in lieu amount resulting from the reverse split at a rate of 0.7617.

Accordingly, the cash in lieu amounts are:

$$0.69345025 \times \$38.36 = \$26.60 \text{ per AIV1 Contract}$$
$$0.7617 \times \$39.29 = \$29.93 \text{ per AIV1 Contract}$$

Now that the exact cash in lieu amounts have been determined, OCC will require Put exercisers and Call assignees, during the period of November 3, 2020 through December 8, 2020, to deliver the appropriate cash amount.

Terms of the AIV1 options are as follows:

New Deliverable Per Contract: 1) 98 Apartment Investment and Management Company (AIV) Class A Common Shares
2) \$77.45 Cash (\$20.92 + \$26.60 + \$29.93)

STRIKE PRICES: Unchanged

CUSIPS: AIV: 03748R747

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

SETTLEMENT

The AIV component of AIV1 exercise/assignment activity from November 3, 2020 through December 7, 2020, has settled through National Security Clearing Corporation (NSCC). The \$77.45 cash amount will be settled by OCC.

PRICING

The underlying price for AIV1 options be determined as follows:

$$\text{AIV1} = 0.98 (\text{AIV}) + 0.7745$$

For example, if AIV closes at 41.28, the AIV1 prices would be calculated as follows:

$$\text{AIV1} = 0.98 (41.28) + 0.7745 = 41.23$$

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