



**THE FOUNDATION  
FOR SECURE  
MARKETS**

#48176

**DATE: JANUARY 15, 2021**

**SUBJECT: UNIT CORPORATION – CONTRACT ADJUSTMENT  
OPTION SYMBOL: 9/4/20 – UNTCQ remains UNTCQ  
9/8/20 – UNTCQ becomes UNTQ1  
DATE: 9/4/20  
\*\*\* UPDATE – BROKER TO BROKER SETTLEMENT \*\*\***

On August 6, 2020, the United States Bankruptcy Court for the Southern District of Texas Houston Division confirmed the Debtors' Amended Joint Chapter 11 Plan of Reorganization ("Plan") for Unit Corporation (UNTCQ). The Plan became effective on September 4, 2020, and all existing UNTCQ shares were canceled. As a result, UNTCQ shareholders were entitled to receive a pro rata portion of the Warrant Package for each existing UNTCQ share held.

**The final distribution rate has been determined to be 0.03460447 Unit Corporation Warrants per UNTCQ share. Fractional share amounts less than 0.5 will be rounded down to the nearest whole share.**

#### **Broker-to-Broker Settlement**

**Unit Corporation Warrants were not listed for trading on a U.S. Market. Consequently, exercise/assignment activity from September 4, 2020 through January 15, 2021, 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 September 4, 2020 to January 15, 2021, all UNTQ1 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 Unit Corporation Warrants 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 Unit Corporation Warrants 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 Unit Corporation Warrants 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 UNTQ1 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 UNTQ1 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 UNTQ1 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 UNTQ1 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 UNTQ1 exercise/assignment activity until settlement is accomplished.

### **CONTRACT ADJUSTMENT**

DATE: September 4, 2020

OPTION SYMBOL: 9/4/20 – UNTCQ remains UNTCQ (with adjusted deliverable described below)  
9/8/20 – UNTCQ becomes UNTQ1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250.00)

NEW DELIVERABLE PER CONTRACT: **1) 3 Unit Corporation Warrants (0.03460447 x 100) (subject to broker to broker settlement)**

CUSIP: **Warrants: 909218125**

### **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).