



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#48411**

**Date:** March 08, 2021

**Subject:** Anworth Mortgage Asset Corporation - Anticipated Adjustment  
Option Symbol: ANH  
New Symbol: RC1  
Date: ???

**Contract Adjustment**

**Date:** Effective the opening of the business day after the merger is consummated.  
Contract adjustment is anticipated to occur by the end of the first quarter of 2021.

**Option Symbol:** ANH changes to RC1

**Strike Divisor:** 1

**Contracts Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 5 yields \$500.00)

**New Deliverable Per Contract:**

- 1) 16 Ready Capital Corporation (RC) Common Shares subject to adjustment as described in the ANH/RC Joint Proxy Statement/Prospectus dated February 9, 2021.
- 2) Cash in lieu of 0.88 fractional RC Common Shares, subject to adjustment as described in the Proxy, if any
- 3) \$61.00 cash (\$0.61 x 100), subject to adjustment as described in the Proxy

**CUSIP:** RC: 75574U101

**Pricing**

Until the cash in lieu amount is determined, the underlying price for RC1 will be determined as follows if the terms are unchanged:

$$RC1 = 0.1688 (RC) + 0.61$$

**Delayed Settlement**

OCC will delay settlement of the RC and the cash portion of the RC1 deliverable until the final merger consideration and cash in lieu of fractional RC share amount, if any, are determined. Upon determination of the final merger consideration and the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of RC shares and appropriate cash amount, if any.

## **Background**

On March 17, 2021, Shareholders of Anworth Mortgage Asset Corporation (ANH) will vote concerning the proposed merger with Ready Capital Corporation (RC). If the merger is approved and consummated, each existing ANH Common Share will be converted into the right to receive 0.1688 RC Common Shares plus \$0.61 Cash, subject to adjustment as described in the Proxy. Cash will be paid in lieu of fractional RC shares, if any.

## **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).