



**THE FOUNDATION
FOR SECURE
MARKETS**

#48443

Date: March 16, 2021

Subject: Adjusted Direxion Daily Financial Bear 3X Shares - Cash In Lieu
Settlement
Adjusted Option Symbol: FAZ2

Adjusted Direxion Daily Financial Bear 3X Shares options were adjusted on March 2, 2021 (See OCC Information Memo #48243). The new deliverable became 1) 12 Direxion Daily Financial Bear 3X Shares (FAZ), and 2) Cash in lieu of 0.5 fractional FAZ shares. Only settlement of the cash portion of FAZ2 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$38.209292 per whole FAZ share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.5 \times \$38.209292 = \$19.10 \text{ per FAZ2 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of March 2, 2021 through March 16, 2021, to deliver the appropriate cash amount.

Terms of the FAZ2 options are as follows:

New Deliverable

Per Contract: 1) 12 Direxion Daily Financial Bear 3X Shares (FAZ)
2) \$19.10 Cash

Strike Prices: Unchanged

CUSIP: FAZ: 25460E240

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

Settlement

The FAZ component of FAZ2 exercise/assignment activity from March 2, 2021 through March 15, 2021, has settled through National Security Clearing Corporation (NSCC). The \$19.10 cash amount will be settled by OCC.

Pricing

The underlying price for FAZ2 will be determined as follows:

$$\text{FAZ2} = 0.12 (\text{FAZ}) + 0.1910$$

For example, if FAZ closes at 34.10, the FAZ2 price would be calculated as follows:

$$\text{FAZ2} = 0.12 (34.10) + 0.1910 = 4.28$$

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.