



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#49424**

**Date:** October 18, 2021

**Subject:** Capstead Mortgage Corporation - Contract Adjustment  
Option Symbol: CMO  
New Symbol: FBRT1  
Date: 10/19/21

**Contract Adjustment**

**Date:** October 19, 2021

**Option Symbol:** CMO changes to FBRT1

**Strike Divisor:** 1

**Contracts Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 10 yields \$1,000.00)

**New Deliverable Per Contract:**

- 1) 32 (New) Franklin BSP Realty Trust, Inc. (FBRT) Class A Common Shares
- 2) Cash in lieu of 0.88 fractional FBRT Class A Common shares
- 3) \$94.00 Cash  $((\$0.21 + \$0.73) \times 100)$

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

**CUSIP:** (New) FBRT: 35243J101

**Pricing**

Until the cash in lieu amount is determined, the underlying price for FBRT1 will be determined as follows:

$$\text{FBRT1} = 0.3288 (\text{FBRT}) + 0.94$$

**Delayed Settlement**

The FBRT component of the FBRT1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the FBRT1 deliverable until the cash in lieu of fractional FBRT shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **Background**

On October 15, 2021, Shareholders of Capstead Mortgage Corporation (CMO) voted concerning the proposed merger with Benefit Street Partners Realty Trust, Inc. The merger was approved and subsequently consummated before the open on October 19, 2021. As a result, Benefit Street Partners Realty Trust, Inc. will change its name and trading symbol to Franklin BSP Realty Trust, Inc. (FBRT), and each existing CMO Common Share will be converted into the right to receive 0.3288 (New) Franklin BSP Realty Trust, Inc. (FBRT) Class A Common Shares plus a total cash consideration of \$0.94 (\$0.21 from FBRT and \$0.73 from CMO per share). Cash will be paid in lieu of fractional FBRT shares.

The Franklin BSP Realty Trust, Inc. Class A Common Stock will be listed on the New York Stock Exchange under the ticker symbol "FBRT".

## **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).