



**THE FOUNDATION
FOR SECURE
MARKETS**

#50599

Date: June 16, 2022

Subject: PEI1 Options - Expiration Pricing Consideration

PEI1 (adjusted Pennsylvania Real Estate Investment Trust options) will be subject to special pricing consideration in expiration processing on June 17, 2022. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of PEI1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

PEI1

PEI1 options are adjusted Pennsylvania Real Estate Investment Trust options, adjusted June 16, 2022 (see OCC Information Memo #50589). The deliverable of PEI1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 6 (New) Pennsylvania Real Estate Investment Trust (PEI) Shares of Beneficial Interest
- 2) Cash in lieu of approximately 0.6667 fractional PEI Shares

As of June 16, 2022, the PEI Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a PEI1 price for use in expiration processing, OCC will use the following formula:

$$\text{PEI1} = 0.066667 (\text{PEI})$$

For example, if PEI closes at 5.10, the PEI1 price would be:

$$\text{PEI1} = 0.066667 (5.10) = 0.34$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the reverse split.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.