



**THE FOUNDATION
FOR SECURE
MARKETS**

#50979

Date: September 02, 2022

Subject: Rattler Midstream LP – Cash In Lieu Settlement
Adjusted Option Symbol: FANG2

Rattler Midstream LP options were adjusted on August 24, 2022 (See OCC Information Memo #50921). The new deliverable became 1) 11 Diamondback Energy, Inc. (FANG) Common Shares, and 2) Cash in lieu of 0.3 fractional FANG shares. Only settlement of the cash portion of FANG2 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$129.3573 per whole FANG share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.3 \times \$129.3573 = \$38.81 \text{ per FANG2 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of August 24, 2022 through September 02, 2022, to deliver the appropriate cash amount.

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

Terms of the FANG2 options are as follows:

New Deliverable

Per Contract: 1) 11 Diamondback Energy, Inc. (FANG) Common Shares
2) \$38.81 Cash

Strike Prices: Unchanged

CUSIP: FANG: 25278X109

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

Settlement

The FANG component of FANG2 exercise/assignment activity from August 24, 2022 through September 1, 2022, has settled through National Security Clearing Corporation (NSCC). The \$38.81 cash amount will be settled by OCC.

Pricing

The underlying price for FANG2 will be determined as follows:

$$\text{FANG2} = 0.11 (\text{FANG}) + 0.3881$$

For example, if FANG closes at 130.30, the FANG2 price would be calculated as follows:

$$\text{FANG2} = 0.11 (130.30) + 0.3881 = 14.72$$

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, 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.