THE FOUNDATION FOR SECURE MARKETS®

#52691

Date:	**June 20, 2023**
Subject:	**Adjusted Lannett Company, Inc. – Further Adjustment/Acceleration of Expirations** **Adjusted Option Symbol: LCIN1** **Date: 06/20/2023**

Adjusted Lannett Company, Inc. options were adjusted on February 7, 2023 (See OCC Information Memo #51854). The new deliverable became 25 Lannett Company, Inc. Common Shares.

On June 8, 2023, the United States Bankruptcy Court for the District of Delaware confirmed the Amended Joint Prepackaged Chapter 11 Plan or Reorganization ("Plan") of Lannett Company, Inc. (LCINQ). The Plan will become effective before the open on June 20, 2023, and LCINQ shares will be canceled.

Adjusted LCIN1 options will be further adjusted to reflect the bankruptcy as described below:

<u>Contract Adjustment</u>

Effective June 20, 2023, existing LCIN1 options are adjusted to no longer call for the delivery of LCINQ shares upon exercise.

The option symbol LCIN1 will not change.

In settlement of LCIN1 exercise/assignment activity, an LCIN1 put exerciser (or call assignee) will receive a cash payment of the full aggregate strike price amount on the exercise settlement date. An LCIN1 put assignee (or call exercise) will pay this amount on the exercise settlement date. Settlement will take place through OCC’s cash settlement system on the second business day after exercise.

Since LCIN1 options are American-style, they are exercisable at the election of the holder. Expiration processing for LCIN1 options will take place in the normal fashion, including automatic exercise thresholds.

<u>Acceleration of Expirations</u>

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series. (See OCC Information Memo 23707) Additionally, the exercise by exception (ex by ex) threshold for expiring series will be $.01 in all account types.

All series of Lannett Company, Inc whose expiration dates are after 7-21-2023 will have their expiration dates advanced to 7-21-2023. Expiration dates occurring before 7-21-2023 (e.g., Flex options) will remain unchanged.

All Lannett Company, Inc options will utilize a $.01 exercise threshold.

Option Symbol: LCIN1
Existing Expiration: All months
New expiration date: 7-21-2023

Existing American-style Lannett Company, Inc options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in two business days.

Disclaimer

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.