



**THE FOUNDATION  
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MARKETS®**

#53861

**Date:** December 27, 2023

**Subject:** Spirit Realty Capital, Inc. - Anticipated Adjustment  
Option Symbol: SRC  
New Symbol: O3  
Date: ???

**Contract Adjustment**

**Date:** Effective the opening of the business day after the merger is consummated.  
Contract adjustment is anticipated to occur in the first quarter of 2024.

**Option Symbol:** SRC changes to O3

**Strike Divisor:** 1

**Contracts Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 45 yields \$4,500.00)

**New Deliverable Per Contract:**

- 1) 76 Realty Income Corporation (O) Common Shares
- 2) Cash in lieu of 0.2 fractional O Common Shares

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:** O: 756109104

**Pricing**

Until the cash in lieu amount is determined, the underlying price for O3 will be determined as follows if the terms are unchanged:

$$O3 = 0.762 (O)$$

**Delayed Settlement**

The O component of the O3 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the O3 deliverable until the cash in lieu of fractional O 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 January 19, 2024, Shareholders of Spirit Realty Capital, Inc. (SRC) will vote concerning the proposed merger with Realty Income Corporation (O). If the merger is approved and consummated, each existing SRC Common Share will be converted into the right to receive 0.762 O Common Share. Cash will be paid in lieu of fractional O shares.

### **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](mailto: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](mailto:memberservices@theocc.com).