



#37174

**DATE:** JULY 23, 2015

**SUBJECT:** BARNES & NOBLE, INC. - DISTRIBUTION  
OPTION SYMBOL: BKS  
NEW SYMBOL: BKS1  
FUTURES SYMBOLS: BKS1C/BKS1D  
NEW SYMBOLS: BKS2C/BKS2D  
DATE: 8/3/15  
\* \* \* UPDATE \* \* \*

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** August 3, 2015

**OPTION SYMBOL:** BKS changes to BKS1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 30 yields \$3,000)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 Barnes & Noble, Inc. (BKS) Common Shares
- 2) 63 (New) Barnes & Noble Education, Inc. (BNED) Common Shares
- 3) Cash in lieu of 0.2 fractional BNED shares

**SETTLEMENT ALLOCATION:** BKS: 65%  
BNED: 35%

**CUSIPS:** BKS: 067774109  
BNED: 06777U101

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**PRICING**

Until the cash in lieu amount is determined, the underlying price for BKS1 will be determined as follows:

$$\text{BKS1} = \text{BKS} + 0.632 \text{ (BNED)}$$

## **DELAYED SETTLEMENT**

The BKS and BNED components of the BKS1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the BKS1 deliverable until the cash in lieu amount is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	August 3, 2015
FUTURES SYMBOLS:	BKS1C changes to BKS2C BKS1D changes to BKS2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	1) 100 Barnes & Noble, Inc. (BKS) Common Shares 2) 63 (New) Barnes & Noble Education, Inc. (BNED) Common Shares 3) Cash in lieu of 0.2 fractional BNED shares
<b>SETTLEMENT ALLOCATION:</b>	<b>BKS: 65%</b> <b>BNED: 35%</b>
CUSIPS:	BKS: 067774109 BNED: 06777U101

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

## **PRICING**

The underlying price for the BKS2C/BKS2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{BKS2D} = \text{BKS} + 0.632 (\text{BNED})$$

Please note that the valuation would apply only to the BKS2C/BKS2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **DELAYED SETTLEMENT**

The BKS and BNED components of the BKS2C/BKS2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the BKS2C/BKS2D deliverables until the cash in lieu amount is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

Barnes & Noble, Inc. (BKS) has announced a distribution of (New) Barnes & Noble Education, Inc. (BNED) Common Shares. The distribution ratio is 0.632 of a BNED share for each BKS share held. The record date is July 27, 2015; the mail date is August 3, 2015. The New York Stock Exchange (NYSE) has set August 3, 2015, as the ex-distribution date for this distribution. Cash will be paid in lieu of fractional BNED shares.

**Barnes & Noble Education, Inc. Common Shares began trading on a when issued basis on July 23, 2015 on the New York Stock Exchange under the trading symbol “BNED WI”.**

## **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 a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. 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).