



#34980

TO: ALL CLEARING MEMBERS

DATE: JULY 21, 2014

SUBJECT: GERON CORPORATION - DISTRIBUTION
OPTION SYMBOL: GERN
NEW SYMBOL: GERN1
DATE: 7/22/14
***** UPDATE *****

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: July 22, 2014

OPTION SYMBOL: GERN changes to GERN1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 3 yields \$300)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Geron Corporation (GERN) Common Shares
- 2) Approximately 4 Asterias Biotherapeutics, Inc. (AHRB) Series A Common Shares **(subject to delayed settlement until the end of when issued trading)**
- 3) Cash in lieu of approximately 0.16583 AHRB Common Shares

SETTLEMENT ALLOCATION: GERN: 95%
AHRB: 5%

CUSIPS: GERN: 374163103
AHRB: 04624N107

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 exact distribution ratio and the cash in lieu amount are determined, the underlying price for GERN1 will be determined as follows:

$$\text{GERN1} = \text{GERN} + 0.0416583 (\text{AHRB})$$

DELAYED SETTLEMENT

The GERN component of the GERN1 deliverable will settle through National Securities Clearing Corporation (NSCC). **OCC will delay settlement of the AHRB component of the GERN1 deliverable until the Series A Common Shares begin trading regular way and the exact distribution ratio is determined.** OCC will delay the cash portion of the GERN1 deliverable until the exact distribution rate and the cash in lieu of fractional AHRB Shares are determined. Upon determination of the distribution rate and the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number AHRB shares and the appropriate cash amount.

BACKGROUND

Geron Corporation (GERN) has announced a distribution of Asterias Biotherapeutics, Inc. Series A Common Shares. The distribution ratio is approximately 0.0416583 Asterias Biotherapeutics, Inc. Series A Common Shares for each GERN Common Share held. The record date is May 28, 2014; the payable date is to be determined. **The NASDAQ Stock Market has set July 22, 2014, as the ex-distribution date for this distribution.**

Asterias Biotherapeutics, Inc. (AHRB) Series A Common Shares began trading on a when issued basis on July 21, 2014, on an OTC Market under trading symbol AHRBV.

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.

Questions regarding this memo can be addressed to Member Services at (800) 544-6091. Within Canada call (800) 424-7320.

CATEGORY: CONTRACT ADJUSTMENT