



#40398

**DATE: DECEMBER 30, 2016**

**SUBJECT: HILTON WORLDWIDE HOLDINGS INC. - DISTRIBUTION**  
**OPTION SYMBOL: HLT**  
**NEW SYMBOL: HLT1**  
**FUTURES SYMBOL: HLT1D**  
**NEW SYMBOL: HLT2D**  
**DATE: 1/4/17**  
**\*\*\* CORRECTION \*\*\***

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** January 4, 2017

**OPTION SYMBOL:** HLT changes to HLT1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 28.00 yields \$2,800.00)

**NEW DELIVERABLE PER CONTRACT**

- 1) 33 (New) Hilton Worldwide Holdings Inc. (HLT) Common Shares
- 2) Cash in lieu of approximately 0.3333 fractional HLT shares
- 3) 10 (New) Hilton Grand Vacations Inc. (HGV) Common Shares
- 4) 20 (New) Park Hotels & Resorts Inc. (PK) Common Shares

**SETTLEMENT ALLOCATION:**

- HLT: 70%
- HGV: 10%
- PK: 20%

**CUSIPS:**

- HLT (New): 43300A203
- HGV: 43283X105
- PK: 700517105

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 HLT1 will be determined as follows:

$$\text{HLT1} = 0.333333 (\text{HLT}) + 0.10 (\text{HGV}) + 0.20 (\text{PK})$$

## **DELAYED SETTLEMENT**

The HLT, HGV, and PK components of the HLT1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the HLT1 deliverable until the cash in lieu of fractional HLT 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.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	January 4, 2017
FUTURES SYMBOL:	HLT1D changes to HLT2D
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) 33 (New) Hilton Worldwide Holdings Inc. (HLT) Common Shares 2) Cash in lieu of approximately 0.3333 fractional HLT shares 3) 10 (New) Hilton Grand Vacations Inc. (HGV) Common Shares 4) 20 (New) Park Hotels & Resorts Inc. (PK) Common Shares
SETTLEMENT ALLOCATION:	HLT: 70% HGV: 10% PK: 20%
CUSIPS:	HLT (New): 43300A203 HGV: 43283X105 PK: 700517105

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**

Until the cash in lieu amount is determined, the underlying price for the HLT2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{HLT2D} = 0.333333 (\text{HLT}) + 0.10 (\text{HGV}) + 0.20 (\text{PK})$$

Please note that the valuation would apply only to the HLT2D deliverable 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 HLT, HGV, and PK components of the HLT2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the HLT2D deliverables until the cash in lieu of fractional HLT shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.**

## **BACKGROUND**

Hilton Worldwide Holdings Inc. (HLT) has announced a distribution of (New) Hilton Grand Vacations Inc. (HGV) Common Shares and of (New) Park Hotels & Resorts Inc. (PK) Common Shares. The distribution ratio is 0.10 of an HGV share and 0.20 of a PK share for each HLT share held. The record date is December 15, 2016; the payable date is January 3, 2017. The distributions will become effective before the open on January 4, 2017.

Immediately following the distributions, Hilton Worldwide Holdings, Inc. will undergo a 1-for-3 reverse split. As a result, each HLT Common Share will be converted into the right to receive approximately 0.333333 (New) Hilton Worldwide Holdings Inc. Common Shares. The reverse split will become effective before the market open on January 4, 2017. Cash will be paid in lieu of fractional HLT shares.

Hilton Grand Vacations Inc. Common Shares and Park Hotels & Resorts Inc. Common Shares began trading on a when issued basis on December 13, 2016 on the New York Stock Exchange under the trading symbols "HGV WI" and "PK WI", respectively.

## **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).