



# 39712

**DATE:** SEPTEMBER 16, 2016

**SUBJECT:** **MEMORIAL RESOURCE DEVELOPMENT CORPORATION -  
CONTRACT ADJUSTMENT**

**OPTION SYMBOLS:** 9/16/16 – MRD remains MRD  
9/19/16 – MRD becomes RRC1  
9/16/16 - 1MRD remains 1MRD  
9/19/16- 1MRD becomes 1RRC1  
9/16/16 - 2MRD remains 2MRD  
9/19/16 - 2MRD becomes 2RRC1

**FUTURES SYMBOL:** 9/16/16 - MRD1D remains MRD1D  
9/19/16 - MRD1D becomes MRD2D  
9/16/16 – MRD3F remains MRD3F  
9/16/16 – MRD3M remains MRD3M  
9/19/16 – MRD3M becomes MRD6M  
9/16/16 – MRD3T remains MRD3T  
9/19/16 – MRD3T becomes MRD6T  
9/16/16 – MRD3W remains MRD3W  
9/19/16 – MRD3W becomes MRD6W  
9/16/16 – MRD4H remains MRD4H  
9/19/16 – MRD4H becomes MRD6H  
9/16/16 – MRD4F remains MRD4F  
9/19/16 – MRD4F becomes MRD6F

**DATE:** 9/16/16

**Contract Adjustment**

**DATE:** September 16, 2016

**OPTION SYMBOLS:** 9/16/16 - MRD remains MRD (with adjusted deliverable described below)  
9/19/16 - MRD changes to RRC1  
9/16/16 - 1MRD remains 1MRD (with adjusted deliverable described below)  
9/19/16 -1 MRD changes to RRC1  
9/16/16 - 2MRD remains 2MRD (with adjusted deliverable described below)  
9/19/16 - 2MRD changes to 2RRC1

**STRIKE DIVISOR:** 1

**CONTRACTS  
MULTIPLIER:** 1

**NEW MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 16 yields \$1,600.00)

**NEW DELIVERABLE  
PER CONTRACT:** 1) 37 Range Resources Corporation (RRC) Common Shares  
2) Cash in lieu of 0.5 fractional RRC Common Shares

CUSIP: RRC: 75281A109

### **PRICING**

Until the cash in lieu amount is determined, the underlying price for RRC1/1RRC1/2RRC1 will be determined as follows:

$$\text{RRC1} = 0.375 (\text{RRC})$$

### **DELAYED SETTLEMENT**

The RRC component of the RRC1/1RRC1/2RRC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the RRC1/1RRC1/2RRC1 deliverable until the cash in lieu of fractional RRC 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.

### **Futures Contract Adjustment**

DATE: September 16, 2016

FUTURES SYMBOL: 9/16/16 - MRD1D remains MRD1D (with adjusted deliverable described below)  
9/19/16 - MRD1D changes to MRD2D  
9/16/16 – MRD3F remains MRD3F (with adjusted deliverable described below)  
9/16/16 – MRD3M remains MRD3M (with adjusted deliverable described below)  
9/19/16 – MRD3M becomes MRD6M  
9/16/16 – MRD3T remains MRD3T (with adjusted deliverable described below)  
9/19/16 – MRD3T becomes MRD6T  
9/16/16 – MRD3W remains MRD3W (with adjusted deliverable described below)  
9/19/16 – MRD3W becomes MRD6W  
9/16/16 – MRD4H remains MRD4H (with adjusted deliverable described below)  
9/19/16 – MRD4H becomes MRD6H  
9/16/16 – MRD4F remains MRD4F (with adjusted deliverable described below)  
9/19/16 – MRD4F becomes MRD6F

NUMBER OF CONTRACTS: No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT: 1) 37 Range Resources Corporation (RRC) Common Shares  
2) Cash in lieu of 0.5 fractional RRC Common Shares

CUSIP: RRC: 75281A109

### **PRICING**

Until the cash in lieu amount is determined, the underlying price for the MRD2D/MRD3F/MRD6M/MRD6T/MRD6W/MRD6H/MRD6F Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{MRD2D} = 0.375 (\text{RRC})$$

Please note that the valuation would apply only to the MRD2D/MRD3F/MRD6M/MRD6T/MRD6W/MRD6H/MRD6F 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 RRC component of the MRD2D/MRD3F/MRD6M/MRD6T/MRD6W/MRD6H/MRD6F deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the MRD2D/MRD3F/MRD6M/MRD6T/MRD6W/MRD6H/MRD6F deliverables until the cash in lieu of fractional RRC shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

### **BACKGROUND**

On September 15, 2016, Shareholders of Memorial Resource Development Corporation (MRD) voted concerning the proposed merger with Range Resources Corporation (RRC). The merger was approved and subsequently consummated before the open on September 16, 2016. As a result, each existing MRD Common Share will be converted into the right to receive 0.375 RRC Common Shares. Cash will be paid in lieu of fractional RRC 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 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).