



#37519

**DATE:** SEPTEMBER 22, 2015

**SUBJECT:** THE MADISON SQUARE GARDEN COMPANY – DISTRIBUTION  
AND NAME/SYMBOL/CUSIP CHANGE  
OPTION SYMBOL: MSG  
NEW SYMBOL: MSGN1  
FUTURES SYMBOL: MSG1D  
NEW SYMBOL: MSGN2D  
DATE: 10/1/15

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** October 1, 2015

**OPTION SYMBOL:** MSG changes to MSGN1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 75 yields \$7,500)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 MSG Networks Inc. (MSGN) Class A Common Shares
- 2) 33 (New) The Madison Square Garden Company (MSG) Class A Common Shares
- 3) Cash in lieu of approximately 0.3333 fractional MSG shares

**SETTLEMENT ALLOCATION:** MSGN: 25%  
MSG: 75%

**CUSIPS:** MSGN: 553573106  
MSG: 55825T103

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 MSGN1 will be determined as follows:

$$\text{MSGN1} = \text{MSGN} + 0.333333(\text{MSG})$$

## **DELAYED SETTLEMENT**

The MSGN and MSG components of the MSGN1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the MSGN1 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:	October 1, 2015
FUTURES SYMBOL:	MSG1D changes to MSGN2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	<ol style="list-style-type: none"><li>1) 100 MSG Networks, Inc. (MSGN) Class A Common Shares</li><li>2) 33 (New) The Madison Square Garden Company (MSG) Class A Common Shares</li><li>3) Cash in lieu of approximately 0.3333 fractional MSG shares</li></ol>
SETTLEMENT ALLOCATION:	MSGN: 25% MSG: 75%
CUSIPS:	MSGN: 553573106 MSG: 55825T103

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 MSGN2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{MSGN2D} = \text{MSGN} + 0.333333 (\text{MSG})$$

Please note that the valuation would apply only to the MSGN2D 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 MSGN and MSG components of the MSGN2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the MSGN2D 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**

The Madison Square Garden Company (MSG) has announced a distribution of (New) The Madison Square Garden Company (MSG) Class A Common Shares. The distribution ratio is approximately 0.333333 of a (New) MSG share for each MSG share held. At the effective time of the distribution, The Madison Square Garden Company will change its name, trading symbol, and CUSIP to MSG Networks, Inc. (MSGN) 553573106. The record date is September 21, 2015; the mail date is September 30, 2015. The New York Stock Exchange (NYSE) has set October 1, 2015, as the ex-distribution date for this distribution

(New) The Madison Square Garden Company Class A Common Shares began trading on a when issued basis on September 17, 2015 on the New York Stock Exchange under the trading symbol "MSG 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).