



#34112

TO: ALL CLEARING MEMBERS

DATE: FEBRUARY 11, 2014

SUBJECT: NEWCASTLE INVESTMENT CORP. - DISTRIBUTION
OPTION SYMBOL: NCT
NEW SYMBOL: NCT2
FUTURES SYMBOLS: NCT1C/NCT1D
NEW SYMBOLS: NCT2C/NCT2D
DATE: 2/14/14
***** UPDATE *****

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: February 14, 2014

OPTION SYMBOL: NCT changes to NCT2

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 5 yields \$500)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Newcastle Investment Corp. (NCT) Common Shares
- 2) **7 (New) New Media Investment Group Inc. (NEWM) Common Shares**
- 3) **Cash in lieu of 0.219481485 fractional NEWM shares**

SETTLEMENT ALLOCATION: NCT: 80%
NEWM: 20%

CUSIPS: NCT: 65105M108
NEWM: 64704V106

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 NCT2 will be determined as follows:

$$\text{NCT2} = \text{NCT} + 0.07219481485 (\text{NEWM})$$

DELAYED SETTLEMENT

The NCT and NEWM components of the NCT2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NCT2 deliverable until the cash in lieu of fractional NEWM 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:	February 14, 2014
FUTURES SYMBOLS:	NCT1C changes to NCT2C NCT1D changes to NCT2D
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 Newcastle Investment Corp. (NCT) Common Shares 2) 7 (New) New Media Investment Group Inc. (NEWM) Common Shares 3) Cash in lieu of 0.219481485 fractional NEWM shares
SETTLEMENT ALLOCATION:	NCT: 80% NEWM: 20%
CUSIPS:	NCT: 65105M108 NEWM: 64704V106

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 NCT2C/NCT2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{NCT2C} = \text{NCT} + 0.07219481485 (\text{NEWM})$$

Please note that the valuation would apply only to the NCT2C/NCT2D 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 NCT and NEWM components of the NCT2C deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NCT2C deliverable until the cash in lieu of fractional NEWM Shares is determined

BACKGROUND

Newcastle Investment Corp. (NCT) has announced a distribution of (New) New Media Investment Group Inc. (NEWM) Common Shares. The distribution ratio is **0.07219481485** NEWM Common Shares for each NCT share held. The record date is February 6, 2014; the mail date is February 13, 2014. The New York Stock Exchange (NYSE) has set February 14, 2014, as the ex-distribution date for this distribution.

New Media Investment Group Inc. Common Shares began trading on a when issued basis on February 4, 2014 on NYSE under the trading symbol NEWM 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.

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

CATEGORY: CONTRACT ADJUSTMENT