



#38464

**DATE:** FEBRUARY 22, 2016

**SUBJECT:** OCCIDENTAL PETROLEUM CORPORATION - DISTRIBUTION  
**OPTION SYMBOLS:** OXY/2OXY  
**NEW SYMBOLS:** OXY2/2OXY2  
**FUTURES SYMBOLS:** OXY1C/OXY1D/OXY4H/OXY4F/OXY5M  
**NEW SYMBOLS:** OXY2C/OXY2D/OXY6H/OXY6F/OXY6M  
**DATE:** 2/25/16

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** February 25, 2016

**OPTION SYMBOLS:** OXY changes to OXY2  
2OXY changes to 2OXY2

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 70 yields \$7,000)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 Occidental Petroleum Corporation (OXY) Common Shares
- 2) Approximately 9 California Resources Corporation (CRC) Common Shares
- 3) Cash in lieu of approximately 0.4 fractional CRC shares

**SETTLEMENT ALLOCATION:** OXY: 95%  
CRC: 5%

**CUSIPS:** OXY: 674599105  
CRC: 13057Q107

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 final distribution ratio and cash in lieu amount are determined, the underlying price for OXY2/2OXY2 will be determined as follows:

$$\text{OXY2} = \text{OXY} + 0.094 (\text{CRC})$$

## **DELAYED SETTLEMENT**

The OXY component of the OXY2/2OXY2 deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the CRC component and the cash component of the OXY2/2OXY2 deliverables until the final distribution ratio and cash in lieu amount are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of CRC shares and cash amount.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: February 25, 2016

FUTURES SYMBOLS: OXY1C changes to OXY2C  
OXY1D changes to OXY2D  
OXY4H changes to OXY6H  
OXY4F changes to OXY6F  
OXY5M changes to OXY6M

Note: Weekly Occidental Petroleum Corporation (OXY) futures active at the time of the contract adjustment will be adjusted in a similar manner to OXY1C/OXY1D futures.

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 Occidental Petroleum Corporation (OXY) Common Shares
- 2) Approximately 9 California Resources Corporation (CRC) Common Shares
- 3) Cash in lieu of approximately 0.4 fractional CRC shares

SETTLEMENT ALLOCATION: OXY: 95%  
CRC: 5%

CUSIPS: OXY: 674599105  
CRC: 13057Q107

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 OXY2C/OXY2D/OXY6H/OXY6F/OXY6M Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{OXY2C} = \text{OXY} + 0.094 (\text{CRC})$$

Please note that the valuation would apply only to the OXY2C/OXY2D/ OXY6H/OXY6F/OXY6M 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 OXY component of the OXY2C/OXY2D/OXY6H/OXY6F/OXY6M deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the CRC component and of the cash component of the OXY2C/OXY2D/OXY6H/OXY6F/OXY6M deliverables until the final distribution ratio and cash in lieu amount are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require delivery of the appropriate number of CRC shares and cash amount.

## **BACKGROUND**

Occidental Petroleum Corporation (OXY) has announced a distribution of California Resources Corporation (CRC) Common Shares. The distribution ratio is approximately 0.094 of a CRC share for each OXY share held. The record date is February 29, 2016; the payable date is March 24, 2016. The New York Stock Exchange (NYSE) has set February 25, 2016, as the ex-distribution date for this distribution

California Resources Corporation Common Shares are listed on the New York Stock Exchange under the trading symbol "CRC".

## **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).