



**DATE: OCTOBER 15, 2018**

**SUBJECT: PINNACLE ENTERTAINMENT, INC. - CONTRACT ADJUSTMENT**

**OPTION SYMBOL: 10/15 18 – PNK remains PNK**  
**10/16/18 – PNK becomes PENN1**

**FUTURES SYMBOL: 10/15/18 - PNK1D remains PNK1D**  
**10/16/18 – PNK1D becomes PNK2D**  
**10/15/18 – PNK3F remains PNK3F**  
**10/16/18 – PNK3F becomes PNK6F**  
**10/15/18 – PNK3H remains PNK3H**  
**10/16/18 – PNK3H becomes PNK6H**  
**10/15/18 – PNK3M remains PNK3M**  
**10/15/18 – PNK3T remains PNK3T**  
**10/16/18 – PNK3T becomes PNK6T**  
**10/15/18 – PNK3W remains PNK3W**  
**10/16/18 – PNK3W becomes PNK6W**  
**10/15/18 – PNK4M remains PNK4M**  
**10/16/18 – PNK4M becomes PNK6M**

**DATE: 10/15/18**

**Contract Adjustment**

**DATE: October 15, 2018**

**OPTION SYMBOL: 10/15/18 - PNK remains PNK (with adjusted deliverable described below)**  
**10/16/18 – PNK becomes PENN1**

**STRIKE DIVISOR: 1**

**CONTRACTS  
MULTIPLIER: 1**

**NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 30 yields \$3,000.00)**

**NEW DELIVERABLE  
PER CONTRACT: 1) 42 Penn National Gaming, Inc. (PENN) Common Shares**  
**2) \$2,000.00 Cash (\$20.00 x 100)**

**CUSIP: PENN: 707569109**

## **PRICING**

The underlying price for PENN1 will be determined as follows:

$$\text{PENN1} = 0.42 (\text{PENN}) + 20.00$$

## **Futures Contract Adjustment**

DATE:	October 15, 2018
FUTURES SYMBOL:	10/15/18 - PNK1D remains PNK1D (with adjusted deliverable described below) 10/16/18 – PNK1D becomes PNK2D 10/15-18 – PNK3F remains PNK3F (with adjusted deliverable described below) 10/16/18 – PNK3F becomes PNK6F 10/15-18 – PNK3H remains PNK3H (with adjusted deliverable described below) 10/16/18 – PNK3H becomes PNK6H 10/15-18 – PNK3M remains PNK3M (with adjusted deliverable described below) 10/15-18 – PNK3T remains PNK3T (with adjusted deliverable described below) 10/16/18 – PNK3T becomes PNK6T 10/15-18 – PNK3W remains PNK3W (with adjusted deliverable described below) 10/16/18 – PNK3W becomes PNK6W 10/15-18 – PNK4M remains PNK4M (with adjusted deliverable described Below. 10/16/18 – PNK4M becomes PNK6M
NUMBER OF CONTRACTS:	No Change
MULTIPLIER	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT:	1) 42 Penn National Gaming, Inc. (PENN) Common Shares 2) \$2,000.00 Cash (\$20.00 x 100)
CUSIP:	PENN: 707569109

## **PRICING**

The underlying price for the PNK2D/PNK6F/PNK6H/PNK6T/PNK6W/PNK6M Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{PNK2D} = 0.42 (\text{PENN}) + 20.00$$

Please note that the valuation would apply only to the PNK2D/PNK6F/PNK6H/PNK6T/PNK6W/PNK6M 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.

## **BACKGROUND**

On March 29, 2018, Shareholders of Pinnacle Entertainment, Inc. (PNK) voted concerning the proposed merger with Penn National Gaming, Inc. (PENN). The merger was approved and subsequently consummated before the open on October 15, 2018. As a result, each existing PNK Common Share will be converted into the right to receive 0.42 PENN Common Shares plus \$20.00 Cash.

## **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).