



#34314

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DATE: MARCH 20, 2014

SUBJECT: SEARS HOLDINGS CORPORATION - DISTRIBUTION
OPTION SYMBOLS: SHLD/1SHLD
NEW SYMBOLS: SHLD1/1SHLD1
FUTURES SYMBOLS: SHLD1C/SHLD1D
NEW SYMBOLS: SHLD2C/SHLD2D
DATE: 4/7/14

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: April 7, 2014

OPTION SYMBOLS: SHLD changes to SHLD1
1SHLD changes to 1SHLD1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 35 yields \$3,500)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Sears Holdings Corporation (SHLD) Common Shares
- 2) 30 Lands' End, Inc. (LE) Common Shares
- 3) Cash in lieu of 0.0795 fractional LE Common Shares

SETTLEMENT ALLOCATION: SHLD: 80%
LE: 20%

CUSIPS: SHLD: 812350106
LE: 51509F105

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 SHLD1/1SHLD1 will be determined as follows:

$$\text{SHLD1} = \text{SHLD} + 0.300795 (\text{LE})$$

DELAYED SETTLEMENT

The SHLD and LE components of the SHLD1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay the cash portion of the deliverable until the cash in lieu of fractional LE Common 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:	April 7, 2014
FUTURES SYMBOLS:	SHLD1C changes to SHLD2C SHLD1D changes to SHLD2D
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 Sears Holdings Corporation (SHLD) Common Shares 2) 30 Lands' End, Inc. (LE) Common Shares 3) Cash in lieu of 0.0795 fractional LE Common Shares
SETTLEMENT ALLOCATION:	SHLD: 80% LE: 20%
CUSIPS:	SHLD: 812350106 LE: 51509F105

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 SHLD2C/SHLD2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{SHLD2C} = \text{SHLD} + 0.300795 (\text{LE})$$

Please note that the valuation would apply only to the SHLD2C/SHLD2D 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 SHLD and LE components of the SHLD2C/SHLD2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay the cash portion of the deliverable until the cash in lieu of fractional LE Common 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

BACKGROUND

Sears Holdings Corporation (SHLD) has announced a distribution of Lands' End, Inc. (LE) Common Shares. The distribution ratio is 0.300795 LE share for each SHLD share held. The record date is March 24, 2014; the mail date is April 4, 2014. The NASDAQ stock market has set April 7, 2014, as the ex-distribution date for this distribution.

Lands' End, Inc. Common Shares began trading on a when issued basis on March 20, 2014 on NASDAQ stock market under the trading symbol LEDMV.

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.

CATEGORY: CONTRACT ADJUSTMENT

For questions regarding this memo, call 1-888-678-4667 or email investorservices@theocc.com.