



#40419

**DATE:** JANUARY 4, 2017

**SUBJECT:** ST. JUDE MEDICAL, INC. - CONTRACT ADJUSTMENT  
OPTION SYMBOL: STJ  
NEW SYMBOL: ABT1  
FUTURES SYMBOLS: STJ1C/STJ1D  
NEW SYMBOLS: STJ2C/STJ2D  
DATE: 1/5/17

**Contract Adjustment**

DATE: January 5, 2017

OPTION SYMBOL: STJ changes to ABT1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 42.50 yields \$4,250.00)

NEW DELIVERABLE PER CONTRACT: 1) 87 Abbott Laboratories (ABT) Common Shares  
2) Cash in lieu of 0.08 fractional ABT shares  
3) \$4,675.00 Cash (\$46.75 x 100)

CUSIP: ABT: 002824100

**PRICING**

Until the cash in lieu amount is determined, the underlying price for ABT1 will be determined as follows:

$$ABT1 = 0.8708 (ABT) + 46.75$$

**DELAYED SETTLEMENT**

OCC will delay settlement of the cash portion of the ABT1 deliverable until the cash in lieu amount of fractional ABT 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.

**Futures Contract Adjustment**

DATE: January 5, 2017

FUTURES SYMBOLS: STJ1C changes to STJ2C  
STJ1D changes to STJ2D

NUMBER OF  
CONTRACTS: No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE  
PER CONTRACT: 1) 87 Abbott Laboratories (ABT) Common Shares  
2) Cash in lieu of 0.08 fractional ABT shares  
3) \$4,675.00 Cash (\$46.75 x 100)

CUSIP: ABT: 002824100

## **PRICING**

Until the cash in lieu amount is determined, the underlying price for the STJ2C/STJ2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{STJ2C} = 0.8708 (\text{ABT}) + 46.75$$

Please note that the valuation would apply only to the STJ2C/STJ2D 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**

OCC will delay settlement of the cash portion of the STJ2C/STJ2D deliverables until the cash in lieu amount of fractional ABT shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

On October 26, 2016, Shareholders of St. Jude Medical, Inc. (STJ) voted concerning the proposed merger with Abbott Laboratories (ABT). The merger was approved and subsequently consummated on January 4, 2017. As a result, each existing STJ Common Share will be converted into the right to receive 0.8708 ABT Common Shares plus \$46.75 Cash. Cash will be paid in lieu of fractional ABT shares.

## **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@theooc.com](mailto:investorservices@theooc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theooc.com](mailto:memberservices@theooc.com).