



#40250

DATE: DECEMBER 8, 2016

SUBJECT: STARZ - CONTRACT ADJUSTMENT
OPTION SYMBOL: STRZA
NEW SYMBOL: LGFB1
FUTURES SYMBOL: STRZ1D
NEW SYMBOL: STRZ2D
DATE: 12/9/16

Contract Adjustment

DATE: December 9, 2016

OPTION SYMBOLS: STRZA changes to LGFB1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 34 yields \$3,400.00)

NEW DELIVERABLE PER CONTRACT: 1) 67 Lions Gate Entertainment Corporation (LGF.B) Class B Non-Voting Shares
2) Cash in lieu of 0.84 fractional LGF.B shares
3) \$1,800.00 Cash (\$18.00 x 100)

CUSIP: (New) LGF.B: 535919500

PRICING

The underlying price for LGFB1 will be determined as follows:

$$\text{LGFB1} = 0.6784 (\text{LGF.B}) + 18.00$$

DELAYED SETTLEMENT

The LGF.B component of the LGFB1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the LGFB1 deliverable until the cash in lieu of fractional LGF.B 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: December 9, 2016

FUTURES SYMBOL: STRZ1D changes to STRZ2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT:

- 1) 67 Lions Gate Entertainment Corporation (LGF.B) Class B Non-Voting Shares
- 2) Cash in lieu of 0.84 fractional LGF.B shares
- 3) \$1,800.00 Cash (\$18.00 x 100)

CUSIP: (New) LGF.B: 535919500

PRICING

The underlying price for the STRZ2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{STRZ2D} = 0.6784 (\text{LGF.B}) + 18.00$$

Please note that the valuation would apply only to the STRZ2D 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.

DELAYED SETTLEMENT

The LGF.B component of the STRZ2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the STRZ2D deliverable until the cash in lieu of fractional LGF.B shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On December 7, 2016, Shareholders of Starz (STRZ.A) voted concerning the proposed merger with Lions Gate Entertainment Corporation (LGF). On the same day, LGF shareholders voted on a reclassification of LGF shares into Class A Voting Shares and LGF Class B Non-Voting Shares. The approval and consummation of the LGF share reclassification were conditions to the closing of the merger. The merger was approved and subsequently consummated on December 8, 2016. As a result, each existing STRZ.A Common Share will be converted into the right to receive 0.6784 LGF.B Common Shares plus \$18.00 Cash. Cash will be paid in lieu of fractional LGF.B shares.

Lions Gate Entertainment Corporation Class A Voting Shares and Class B Non-Voting Shares will trade on the New York Stock Exchange (NYSE) under the trading symbols "LGF.A" and "LGF.B", respectively.

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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.