



#41220

**DATE:** MAY 22, 2017

**SUBJECT:** TEGNA INC. - DISTRIBUTION  
OPTION SYMBOL: TGNA  
NEW SYMBOL: TGNA1  
FUTURES SYMBOL: TGNA1D  
NEW SYMBOL: TGNA2D  
DATE: 6/1/17  
\* \* \* CORRECTION \* \* \*

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** June 1, 2017

**OPTION SYMBOL:** TGNA changes to TGNA1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 23.00 yields \$2,300.00)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 TEGNA Inc. (TGNA) Common Shares
- 2) 33 (New) Cars.com Inc. (CARS) Common Shares
- 3) Cash in lieu of approximately 0.3333 fractional CARS share

**SETTLEMENT ALLOCATION:** TGNA: 65%  
CARS: 35%

**CUSIPS:** TGNA: 87901J105  
CARS: 14575E105

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 TGNA1 will be determined as follows:

$$\text{TGNA1} = \text{TGNA} + 0.333333 \text{ (CARS)}$$

## **DELAYED SETTLEMENT**

The TGNA and CARS components of the TGNA1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TGNA1 deliverable until the cash in lieu of fractional CARS Common Share 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:	June 1, 2017
FUTURES SYMBOL:	TGNA1D changes to TGNA2D
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 TEGNA Inc. (TGNA) Common Shares 2) 33 (New) Cars.com Inc. (CARS) Common Shares 3) Cash in lieu of approximately 0.3333 fractional CARS share
SETTLEMENT ALLOCATION:	TGNA: 65% CARS: 35%
CUSIPS:	TGNA: 87901J105 CARS: 14575E105

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 TGNA2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{TGNA2D} = \text{TGNA} + 0.333333 \text{ (CARS)}$$

Please note that the valuation would apply only to the TGNA2D 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 TGNA and CARS components of the TGNA2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TGNA2D deliverable until the cash in lieu of fractional CARS Common Share is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

TEGNA Inc. (TGNA) has announced a distribution of (New) Cars.com Inc. (CARS) Common Shares. The distribution ratio is approximately 0.333333 of a CARS share for each TGNA share held. The record date is May 18, 2017; the payable date is May 31, 2017. The New York Stock Exchange ("NYSE") has set June 1, 2017 as the ex-distribution date for this distribution.

Cars.com Inc. Common Shares began trading on a when issued basis on **May 18, 2017** on the NYSE under the trading symbol "CARS WI".

## **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).