



**THE FOUNDATION
FOR SECURE
MARKETS**

#46275

DATE: DECEMBER 31, 2019

**SUBJECT: SENIOR HOUSING PROPERTIES TRUST – DISTRIBUTION AND
NAME/SYMBOL/CUSIP CHANGE
OPTION SYMBOL: SNH
NEW SYMBOL: DHC1
FUTURES SYMBOL: SNH1D
NEW SYMBOL: DHC2D
DATE: 1/2/20
*** UPDATE *****

CONTRACT ADJUSTMENT – OPTIONS

EFFECTIVE DATE: January 2, 2020

OPTION SYMBOL: SNH changes to **DHC1**

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 7.50 yields \$750)

NEW DELIVERABLE PER CONTRACT

- 1) 100 **Diversified Healthcare Trust (DHC)** Common Shares
- 2) **6** Five Star Senior Living Inc. (FVE) Common Shares
- 3) Cash in lieu of **0.7758** fractional FVE shares

SETTLEMENT ALLOCATION:

DHC: 95%
FVE: 5%

CUSIPS:

DHC (New): 25525P107
FVE: 33832D205

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 **DHC1** will be determined as follows:

$$\text{DHC1} = \text{DHC} + 0.067758 \text{ (FVE)}$$

DELAYED SETTLEMENT

The **DHC** and FVE components of the **DHC1** deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the **DHC1** deliverable until the cash in lieu of fractional FVE 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:	January 2, 2020
FUTURES SYMBOL:	SNH1D changes to DHC2D
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 Diversified Healthcare Trust (DHC) Common Shares 2) 6 Five Star Senior Living Inc. (FVE) Common Shares 3) Cash in lieu of 0.7758 fractional FVE shares
SETTLEMENT ALLOCATION:	DHC: 95% FVE: 5%
CUSIPS:	DHC (New): 25525P107 FVE: 33832D205

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 **DHC2D** Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{DHC2D} = \text{DHC} + 0.067758 \text{ (FVE)}$$

Please note that the valuation would apply only to the DHC2D 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 **DHC** and FVE components of the **DHC2D** futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the **DHC2D** deliverable until the cash in lieu of fractional FVE shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

Senior Housing Properties Trust (SNH) has announced a distribution of Five Star Senior Living Inc. (FVE) Common Shares. The distribution ratio is **0.067758** of an FVE share for each SNH share held. The record date is December 13, 2019; the payable date is January 1, 2020. **Immediately following the distribution, Senior Housing Properties Trust will change its name, trading symbol, and CUSIP to Diversified Healthcare Trust (DHC), CUSIP 25525P107.** The distribution and name/symbol/CUSIP change will become effective before the market open on January 2, 2020.

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 OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. 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.