



DATE: FEBRUARY 6, 2020

SUBJECT: WILLIAM LYON HOMES – CONTRACT ADJUSTMENT

OPTION SYMBOL: 2/6/20 – WLH remains WLH

2/7/20 – WLH becomes TMHC1

FUTURES SYMBOLS: 2/6/20 – WLH1D remains WLH1D

2/7/20 – WLH1D becomes WLH2D

2/6/20 – WLH1H remains WLH1H

2/6/20 – WLH1F remains WLH1F

2/7/20 – WLH1F becomes WLH6F

2/6/20 – WLH2M remains WLH2M

2/7/20 – WLH2M becomes WLH6M

2/6/20 – WLH2T remains WLH2T

2/7/20 – WLH2T becomes WLH6T

2/6/20 – WLH2W remains WLH2W

2/7/20 – WLH2W becomes WLH6W

2/6/20 – WLH2H remains WLH2H

2/7/20 – WLH2H becomes WLH6H

DATE: 2/6/20

Contract Adjustment

DATE: February 6, 2020

OPTION SYMBOL: 2/6/20 – WLH remains WLH (with adjusted deliverable described below)

2/7/20 – WLH changes to TMHC1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 25.00 yields \$2,500.00)

**NEW DELIVERABLE
PER CONTRACT:**
1) 80 Taylor Morrison Home Corporation (TMHC) Common Shares
2) \$250.00 Cash (\$2.50 x 100)

CUSIP: TMHC: 87724P106

PRICING

The underlying price for TMHC1 will be determined as follows:

$$\text{TMHC1} = 0.80 (\text{TMHC}) + 2.50$$

Futures Contract Adjustment

DATE: February 6, 2020

FUTURES SYMBOLS: 2/6/20 – WLH1D remains WLH1D (with adjusted deliverable described below)
2/7/20 – WLH1D changes to WLH2D
2/6/20 – WLH1H remains WLH1H (with adjusted deliverable described below)
2/6/20 – WLH1F remains WLH1F (with adjusted deliverable described below)
2/7/20 – WLH1F becomes WLH6F
2/6/20 – WLH2M remains WLH2M (with adjusted deliverable described below)
2/7/20 – WLH2M becomes WLH6M
2/6/20 – WLH2T remains WLH2T (with adjusted deliverable described below)
2/7/20 – WLH2T becomes WLH6T
2/6/20 – WLH2W remains WLH2W (with adjusted deliverable described below)
2/7/20 – WLH2W becomes WLH6W
2/6/20 – WLH2H remains WLH2H (with adjusted deliverable described below)
2/7/20 – WLH2H becomes WLH6H

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 80 Taylor Morrison Home Corporation (TMHC) Common Shares
2) \$250.00 Cash (\$2.50 x 100)

CUSIP: TMHC: 87724P106

PRICING

The underlying price for the WLH2D/WLH1H/WLH6F/WLH6M/WLH6T/WLH6W/WLH6H Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{WLH2D} = 0.80 (\text{TMHC}) + 2.50$$

Please note that the valuation would apply only to the WLH2D/WLH1H/WLH6F/WLH6M/WLH6T/WLH6W/WLH6H 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.

BACKGROUND

On January 30, 2020, Shareholders of William Lyon Homes (WLH) voted concerning the proposed merger with Taylor Morrison Home Corporation (TMHC). The merger was approved and subsequently consummated before the open on February 6, 2020. As a result, each existing WLH Class A Common Share will be converted into the right to receive 0.80 TMHC Common Shares plus \$2.50 Cash.

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).

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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.