



#42150

**DATE:** NOVEMBER 14, 2017

**SUBJECT:** CONSOL ENERGY INC. - DISTRIBUTION AND NAME CHANGE  
OPTION SYMBOLS: CNX/2CNX  
NEW SYMBOLS: CNX1/2CNX1  
FUTURES SYMBOL: CNX1D  
NEW SYMBOL: CNX2D  
DATE: 11/29/17

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** November 29, 2017

**OPTION SYMBOLS:** CNX changes to CNX1  
2CNX changes to 2CNX1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 16.00 yields \$1,600.00)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 CNX Resources Corporation (CNX) Common Shares
- 2) 12 (New) CONSOL Energy Inc. (CEIX) Common Shares
- 3) Cash in lieu of 0.5 fractional CEIX Common Shares

**SETTLEMENT ALLOCATION:** CNX: 80%  
CEIX: 20%

**CUSIPS:** CNX (New): 12653C108  
CEIX (New): 20854L108

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 CNX1/2CNX1 will be determined as follows:

$$\text{CNX1} = \text{CNX} + 0.125 (\text{CEIX})$$

## **DELAYED SETTLEMENT**

The CNX and CEIX components of the CNX1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CNX1/2CNX1 deliverable until the cash in lieu of fractional CEIX 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: November 29, 2017

FUTURES SYMBOL: CNX1D changes to CNX2D

Note: All CONSOL Energy Inc. (CNX) futures active at the time of the contract adjustment will be adjusted in a similar manner to that of CNX1D futures.

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 CNX Resources Corporation (CNX) Common Shares
- 2) 12 (New) CONSOL Energy Inc. (CEIX) Common Shares
- 3) Cash in lieu of 0.5 fractional CEIX Common Shares

SETTLEMENT ALLOCATION:

CNX: 80%  
CEIX: 20%

CUSIPS: CNX (New): 12653C108  
CEIX (New): 20854L108

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 CNX2D/all active CNX futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{CNX2D} = \text{CNX} + 0.125 (\text{CEIX})$$

Please note that the valuation would apply only to the CNX2D/all active CNX futures 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**

The CNX and CEIX components of the CNX1D/all active CNX futures deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CNX1D/all active CNX futures deliverable until the cash in lieu of fractional CEIX Common Shares is determined. Upon determination of the cash in lieu amount, OCC will require the delivery of the appropriate cash amount.

## **BACKGROUND**

CONSOL Energy Inc. (CNX) has announced a distribution of CONSOL Mining Corporation (“Coalco”) Common Shares. The distribution ratio is 0.125 Coalco shares for each CNX share held. Cash will be paid in lieu of fractional shares. At the time of the distribution, CONSOL Energy Inc. will change its name to CNX Resources Corporation, and Coalco will change its name to (New) CONSOL Energy Inc. The record date is November 15, 2017; the payable date is November 28, 2017. The New York Stock Exchange (NYSE) has set November 29, 2017, as the ex-distribution date for this distribution.

(New) CONSOL Energy Inc. Common Shares began trading on a when issued basis on November 14, 2017 on the NYSE under the trading symbol “CEIX 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).