



#32514

**TO: ALL CLEARING MEMBERS**

**DATE: APRIL 11, 2013**

**SUBJECT: CORRECTIONS CORPORATION OF AMERICA - STOCK DISTRIBUTION**  
**OPTION SYMBOL: CXW**  
**NEW OPTION SYMBOL: CXW1**  
**DATE: 4/17/13**

Corrections Corporation of America has announced a special dividend of approximately \$6.63 per CXW common share. Shareholders may elect to receive the special dividend in cash, CXW common shares, or a combination of cash and CXW common shares. Cash elections are subject to proration. Corrections Corporation of America will limit the aggregate amount of cash to be paid out in the distribution to 20% of the value of the total distribution. CXW Shareholders who fail to make an election will be deemed to have elected to receive payment of the special dividend in the form of CXW common shares. The election deadline is May 9, 2013. The record date is April 19, 2013; payable date is May 20, 2013. The ex-distribution date for this distribution will be April 17, 2013.

**Exercise Consideration** – On April 17, 2013 CXW options will become adjusted symbol CXW1. The deliverable for CXW1 will reflect the additional amount of shares distributed for the special dividend. CXW Call option holders who intend to exercise so as to be able to request to receive the distribution in cash or a combination of cash and stock must exercise their options in sufficient time in advance of the contract adjustment to observe all conditions of the election. In all cases it is the sole responsibility of persons holding call options seeking to participate in the election to determine when to exercise their options and to comply with all terms and conditions of the election.

#### **OPTIONS CONTRACT ADJUSTMENT**

**EFFECTIVE DATE:** April 17, 2013

**NEW MULTIPLIER:** 100 (e.g., for premium extensions a premium of 1.50 equals \$150; a strike of 40 yields \$4,000.00).

**CONTRACT MULTIPLIER:** 1

**STRIKE PRICES:** No Change

**OPTION SYMBOL:** CXW changes to CXW1

**DELIVERABLE PER CONTRACT:** 1) 100 Corrections Corporation of America (CXW) Common Shares

- 2) An additional amount of CXW Common Shares valued at approximately \$663.00 (\$6.63 x 100)
- 3) Cash in lieu of fractional CXW shares, if any

**CUSIP:** 22025Y407

### **PRICING**

Until the number of shares distributed and cash in lieu amount, if any, are determined, the underlying price for CXW1 will be determined as follows:

$$\text{CXW1} = \text{CXW} + 6.63$$

### **DELAYED SETTLEMENT**

OCC will delay settlement of the stock and cash portions of the CXW1 deliverable until the final share amount and the cash in lieu of fractional CXW Shares, if any, are determined. Upon determination of the final share amount and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of shares and cash amount.

### **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.**

Questions regarding this memo can be addressed to Member Services at (800) 544-6091. Within Canada call (800) 424-7320.

**CATEGORY: CONTRACT ADJUSTMENT**