



**DATE: DECEMBER 27, 2019**

**SUBJECT: SENIOR HOUSING PROPERTIES TRUST - DISTRIBUTION**  
**OPTION SYMBOL: SNH**  
**NEW SYMBOL: SNH1**  
**FUTURES SYMBOL: SNH1D**  
**NEW SYMBOL: SNH2D**  
**DATE: 1/2/20**

**CONTRACT ADJUSTMENT – OPTIONS**

**EFFECTIVE DATE:** January 2, 2020

**OPTION SYMBOL:** SNH changes to SNH1

**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 Senior Housing Properties Trust (SNH) Common Shares
- 2) Approximately 7 Five Star Senior Living Inc. (FVE) Common Shares
- 3) Cash in lieu of fractional FVE Common Shares, if any

**SETTLEMENT ALLOCATION:**

SNH: 95%  
FVE: 5%

**CUSIPS:**

SNH: 81721M109  
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 final FVE distribution rate and the cash in lieu amount, if any, are determined, the underlying price for SNH1 will be determined as follows:

$$\text{SNH1} = \text{SNH} + 0.07 (\text{FVE})$$

## **DELAYED SETTLEMENT**

The SNH component of the SNH1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the FVE component and of the cash portion of the SNH1 deliverable until the final distribution rate and the cash in lieu of fractional FVE Common Shares, if any, are determined. Upon determination of the final distribution rate and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of FVE shares and the appropriate cash amount.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	January 2, 2020
FUTURES SYMBOL:	SNH1D changes to SNH2D
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 Senior Housing Properties Trust (SNH) Common Shares 2) Approximately 7 Five Star Senior Living Inc. (FVE) Common Shares 3) Cash in lieu of fractional FVE Common Shares, if any
SETTLEMENT ALLOCATION:	SNH: 95% FVE: 5%
CUSIPS:	SNH: 81721M109 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 final FVE distribution rate and the cash in lieu amount, if any, are determined, the underlying price for the SNH2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{SNH2D} = \text{SNH} + 0.07 (\text{FVE})$$

Please note that the valuation would apply only to the SNH2D 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 SNH component of the SNH2D futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the FVE component and of the cash portion of the SNH2D deliverable until the final FVE distribution rate and the cash in lieu of fractional FVE shares, if any, are determined. Upon determination of the final distribution rate and the cash in lieu amount, if any, OCC will require delivery of the appropriate number of FVE shares and 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 approximately 0.07 of an FVE share for each SNH share held. The record date is December 13, 2019; the payable date is January 1, 2020. The NASDAQ has set January 2, 2020, as the ex-distribution date for this distribution.

## **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](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).