



**DATE:** JULY 30, 2019

**SUBJECT:** ANDEAVOR LOGISTICS LP – CONTRACT ADJUSTMENT  
OPTION SYMBOL: 7/30/19 – ANDX remains ANDX  
7/31/19 – ANDX becomes MPLX1  
FUTURES SYMBOL: 7/30/19 – ANDX1D remains ANDX1D  
7/31/19 – ANDX1D becomes ANDX2D  
DATE: 7/30/19

**CONTRACT ADJUSTMENT**

DATE: July 30, 2019

OPTION SYMBOL: 7/30/19 – ANDX remains ANDX (with adjusted deliverable described below)  
7/31/19 – ANDX changes to MPLX1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 40.00 yields \$4,000.00)

NEW DELIVERABLE PER CONTRACT: 1) 113 MPLX LP (MPLX) Common Units  
2) Cash in lieu of 0.5 fractional MPLX units

CUSIP: MPLX: 55336V100

**PRICING**

Until the cash in lieu amount is determined, the underlying price for MPLX1 will be determined as follows:

$$\text{MPLX1} = 1.135 \text{ (MPLX)}$$

**DELAYED SETTLEMENT**

The MPLX component of the MPLX1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the MPLX1 deliverable until the cash in lieu of fractional MPLX 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.

## **FUTURES CONTRACT ADJUSTMENT**

DATE: July 30, 2019

FUTURES SYMBOL: 7/30/19 – ANDX1D remains ANDX1D (with adjusted deliverable described below)  
7/31/19 – ANDX1D changes to ANDX2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 113 MPLX LP (MPLX) Common Units  
2) Cash in lieu of 0.5 fractional MPLX units

CUSIP: MPLX: 55336V100

## **PRICING**

Until the cash in lieu amount is determined, the underlying price for the ANDX2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{ANDX2D} = 1.135 \text{ (MPLX)}$$

Please note that the valuation would apply only to the ANDX2D 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 MPLX component of the ANDX2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ANDX2D deliverable until the cash in lieu of fractional MPLX shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

As of May 7, 2019, a group of Unitholders, including ANDX GP and ANDX Refining Southwest, who hold approximately 64% of outstanding Andeavor Logistics LP (ANDX) Common Units, entered into a Merger Agreement with MPLX LP (MPLX) and have delivered written consent approving the merger between Andeavor Logistics LP and MPLX LP (MPLX). The merger was consummated before the open on July 30, 2019. As a result, each existing ANDX Common Unit will be converted into the right to receive 1.135 MPLX Common Units. Cash will be paid in lieu of fractional MPLX Units.

## **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).