



# THE OPTIONS CLEARING CORPORATION

#26633

**Back to Infomemo Search**

**DATE: NOVEMBER 19, 2009**

**SUBJECT: NXO OPTIONS - EXPIRATION PRICING CONSIDERATIONS**

NXO (Adjusted Natco Group Inc. Options (underlying symbol "NTG")) will be subject to special pricing considerations in expiration processing November 21, 2009. The pricing considerations are due to the cash in lieu amount included in the option deliverable of NXO as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

**NXO**

NXO options are adjusted Natco Group Inc. ("NTG") options, adjusted November 19, 2009, (see OCC Information Memo #26630). The deliverable of NXO options is:

**NEW DELIVERABLE**

**PER CONTRACT:**      1) 118 Cameron International Corporation ("CAM") Common Shares  
                                 2) Cash in lieu of .5 fractional CAM shares

As of November 19, 2009, the CAM Exchange Agent has not determined the CAM price to be used to determine cash in lieu of fractional shares.

For purposes of calculating a NXO price for use in expiration processing, OCC will use the following formula:

$$\text{NXO} = 1.185 (\text{CAM})$$

For example, if CAM closes at 40, the NXO price would be:

$$\text{NXO} = 1.185 (40) = 47.40$$

This formula includes an estimate for the value of the cash in lieu amount for .5 CAM based on the current market value of CAM and not the actual cash in lieu amount applicable in the merger.

**CATEGORY: EXPIRATION**

**SUB-CATEGORY: EXPIRATION PRICING CONSIDERATIONS**

**For questions regarding this memo, call 1-888-OPTIONS or email [options@theocc.com](mailto:options@theocc.com).**