



THE OPTIONS CLEARING CORPORATION

#24209

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DATE: MARCH 18, 2008

SUBJECT: ALTRIA GROUP, INC. – DISTRIBUTION
OPTION SYMBOLS: MO/VPM (09)/ WRR (10)/2MO 09/1MO 22
NEW SYMBOLS: MZS/VRF (09)/WPF (10)/2MZS09/1MZS22
ADJUSTED SYMBOLS: ZKM/1MOZ22
FUTURE SYMBOL: MO1C
NEW SYMBOL: MO2C
DATE: 03-31-08
*** UPDATE TO SETTLEMENT ALLOCATION ***

OPTIONS CONTRACT ADJUSTMENT

EFFECTIVE DATE: March 31, 2008

OPTION SYMBOL: MO changes to MZS
VPM changes to VRF
WRR changes to WPF
2MO 09 changes to 2MZS09
1MO 22 changes to 1MZS22
ZKM remains ZKM
1MOZ22 remains 1MOZ22

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 75 yields \$7,500)

NEW DELIVERABLE PER CONTRACT

MZS/VRF/WPF/2MZS09/1MZS09
1) 100 Altria Group, Inc. ("MO") Common Shares
2) 100 Phillip Morris International Inc. ("PM") Common Shares

ZKM/1MOZ22
1) 100 Altria Group, Inc. ("MO") Common Shares

- 2) 69 Kraft Foods Inc. ("KFT") Class A Common Shares
- 3) 100 Phillip Morris International Inc. ("PM") Common Shares
- *4) \$6.33 Cash

*The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable

SETTLEMENT: Regular

SETTLEMENT ALLOCATION: MZS/VRF/WPF/2MZS09/1MZS09
 MO: 30%
 PM: 70%

ZKM/1MOZ22
 MO: 50%
 PM: 25%
 KFT: 25%

CUSIPS: MO: 02209S103
 PM: 718172109
 KFT: 50075N104

THE 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

The underlying price for MZS/VRF/WPF/2MZS09/1MZS22 will be determined as follows:

$$MZS = MO + PM$$

The underlying price for ZKM/1MOZ22 will be determined as follows:

$$ZKM = MO + PM + .69 (KFT) + .0633$$

FUTURES CONTRACT ADJUSTMENT

EFFECTIVE DATE: March 31, 2008

FUTURES SYMBOL: MO1C changes to MO2C

SETTLEMENT PRICES: Unchanged

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT

- 1) 100 Altria Group, Inc. ("MO") Common Shares
- 2) 100 Phillip Morris International Inc. ("PM") Common Shares

SETTLEMENT: Regular

SETTLEMENT ALLOCATION:

MO: 30%

PM: 70%

CUSIPS:

MO: 02209S103

PM: 718172109

THE 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

The underlying price for the MO2C Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{MO2C} = \text{MO} + \text{PM}$$

Please note that the valuation would apply only to the MO2C 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.

BACKGROUND

Altria Group, Inc. ("MO") has announced a distribution of Phillip Morris International Inc. ("PM") Common Shares. The distribution ratio is one (1) PM Common Share per MO Common Share. The record date is March 19, 2008; the mail date is March 28, 2008. The New York Stock Exchange ("NYSE") has set March 31, 2008 as the ex-distribution of the distribution.

The NYSE has determined due-bills for the PM distribution must accompany each MO Share delivered after March 9, 2008 in settlement of MO transactions made prior to the ex-date.

*****THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE DISTRIBUTION, PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. ***** CLEARING MEMBERS SHOULD REFER TO THE NYSE BULLETIN DATED FEBRUARY 4, 2008, FOR AN AUTHORITATIVE DESCRIPTION OF THE DISTRIBUTION.**

Pursuant to Article VI, Section 11, of OCC's By-Laws, a panel of OCC's Securities Committee has determined to adjust all MO/WRR/VPM/2MO 09/1MO 22 options and ZKM/1MOZ22 options as indicated above (the panel consists of two representatives from the Exchanges on which the affected option is traded (in this case the Chicago Board Options Exchange ("CBOE"), the American Stock Exchange ("AMEX"), the Philadelphia Stock Exchange ("PHLX"), the NYSE Arca Exchange ("ARCX") the International Securities Exchange ("ISE"), and the Boston Options Exchange ("BOX")), and the Chairman of OCC or his delegee, who only votes in case of a tie).

Pursuant to Article XII Section 3 of OCC's By-Laws all MO1C futures will be adjusted as indicated above.

Members are referred to the Option Exchanges indicated above for additional information, including order placement and Exchange intentions to re-list standard (100 share) options.

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