

## CBOE Research Circular #RS13-022

**Date:** January 11, 2013

**To:** Permit Holders

**From:** Scott Speer

**RE:** \*\*\*\*\*CORRECTION\*\*\*\*\*CORRECTION\*\*\*\*\*CORRECTION\*\*\*\*\*

Liberty Media Corporation Series A Liberty Capital ("LMCA")

Distribution of Shares of

Liberty Spinco, Inc. Series A ("LMCAD")

Ex-Distribution Date: January 14, 2013

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The adjusted symbol will be **STRZ1**, not STRZA1, as reported in CBOE Research Circular #RS13-020.

Liberty Media Corporation Series A Liberty Capital ("LMCA") has announced a distribution of shares of Liberty Spinco, Inc. Series A ("LMCAD") Common Stock. The distribution ratio will be **one (1)** share of Liberty Spinco, Inc. Series A ("LMCAD") Common Stock for **one (1)** share of Liberty Media Corporation Series A Liberty Capital ("LMCA") Common Stock held of record January 10, 2013. The mail date for the distribution will be January 11, 2013.

Immediately prior to the distribution, Liberty Media Corporation Series A Liberty Capital will change its name to Starz Series A and Liberty Spinco, Inc. Series A will change its name to Liberty Media Corporation Series A. Starz Series A will trade on the NASDAQ Global Select Market under the symbol "STRZA" and Liberty Media Corporation will trade on the NASDAQ Global Select Market under a temporary symbol "LMCAD" beginning on Monday, January 14, 2013 and will change to the permanent symbol "LMCA" beginning on Tuesday, January 22, 2013.

Liberty Spinco, Inc. Series A was admitted to "when issued" trading under the symbol LMCAV on the NASDAQ on January 10, 2013. **The ex-date for the distribution will be Monday, January 14, 2013.**

### Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, all LMCA options outstanding as of Monday, January 14, 2013, shall be adjusted to require the per-contract delivery or receipt of the following: **(A) 100 shares of Starz Series A ("STRZA") Common Stock; plus (B) 100 shares of Liberty Media Corporation. Series A ("LMCAD") Common Stock.** The LMCA option symbol will change to **STRZ1**. Premiums and strike-price amounts for the adjusted STRZ1 options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1.00 will equal \$100. Strike prices will remain the same. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

### Adjusted Option Symbols

On Monday, January 14, 2013, trading in LMCA series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*				
LMCA	45.00	2013-01-19	C/P	=>	STRZ1	45.00	2013-01-19	C/P	
LMCA	50.00	2013-01-19	C/P	=>	STRZ1	50.00	2013-01-19	C/P	
LMCA	55.00	2013-01-19	C/P	=>	STRZ1	55.00	2013-01-19	C/P	
LMCA	60.00	2013-01-19	C/P	=>	STRZ1	60.00	2013-01-19	C/P	
LMCA	65.00	2013-01-19	C/P	=>	STRZ1	65.00	2013-01-19	C/P	
LMCA	70.00	2013-01-19	C/P	=>	STRZ1	70.00	2013-01-19	C/P	
LMCA	75.00	2013-01-19	C/P	=>	STRZ1	75.00	2013-01-19	C/P	
LMCA	80.00	2013-01-19	C/P	=>	STRZ1	80.00	2013-01-19	C/P	
LMCA	85.00	2013-01-19	C/P	=>	STRZ1	85.00	2013-01-19	C/P	
LMCA	90.00	2013-01-19	C/P	=>	STRZ1	90.00	2013-01-19	C/P	
LMCA	95.00	2013-01-19	C/P	=>	STRZ1	95.00	2013-01-19	C/P	
LMCA	100.00	2013-01-19	C/P	=>	STRZ1	100.00	2013-01-19	C/P	
LMCA	105.00	2013-01-19	C/P	=>	STRZ1	105.00	2013-01-19	C/P	
LMCA	110.00	2013-01-19	C/P	=>	STRZ1	110.00	2013-01-19	C/P	
LMCA	115.00	2013-01-19	C/P	=>	STRZ1	115.00	2013-01-19	C/P	
LMCA	120.00	2013-01-19	C/P	=>	STRZ1	120.00	2013-01-19	C/P	
LMCA	125.00	2013-01-19	C/P	=>	STRZ1	125.00	2013-01-19	C/P	
LMCA	130.00	2013-01-19	C/P	=>	STRZ1	130.00	2013-01-19	C/P	
LMCA	135.00	2013-01-19	C/P	=>	STRZ1	135.00	2013-01-19	C/P	
LMCA	140.00	2013-01-19	C/P	=>	STRZ1	140.00	2013-01-19	C/P	
LMCA	145.00	2013-01-19	C/P	=>	STRZ1	145.00	2013-01-19	C/P	
LMCA	80.00	2013-02-16	C/P	=>	STRZ1	80.00	2013-02-16	C/P	
LMCA	85.00	2013-02-16	C/P	=>	STRZ1	85.00	2013-02-16	C/P	
LMCA	90.00	2013-02-16	C/P	=>	STRZ1	90.00	2013-02-16	C/P	
LMCA	95.00	2013-02-16	C/P	=>	STRZ1	95.00	2013-02-16	C/P	
LMCA	100.00	2013-02-16	C/P	=>	STRZ1	100.00	2013-02-16	C/P	
LMCA	105.00	2013-02-16	C/P	=>	STRZ1	105.00	2013-02-16	C/P	
LMCA	110.00	2013-02-16	C/P	=>	STRZ1	110.00	2013-02-16	C/P	
LMCA	115.00	2013-02-16	C/P	=>	STRZ1	115.00	2013-02-16	C/P	
LMCA	120.00	2013-02-16	C/P	=>	STRZ1	120.00	2013-02-16	C/P	
LMCA	125.00	2013-02-16	C/P	=>	STRZ1	125.00	2013-02-16	C/P	
LMCA	130.00	2013-02-16	C/P	=>	STRZ1	130.00	2013-02-16	C/P	
LMCA	135.00	2013-02-16	C/P	=>	STRZ1	135.00	2013-02-16	C/P	
LMCA	140.00	2013-02-16	C/P	=>	STRZ1	140.00	2013-02-16	C/P	
LMCA	145.00	2013-02-16	C/P	=>	STRZ1	145.00	2013-02-16	C/P	
LMCA	150.00	2013-02-16	C/P	=>	STRZ1	150.00	2013-02-16	C/P	
LMCA	55.00	2013-04-20	C/P	=>	STRZ1	55.00	2013-04-20	C/P	
LMCA	60.00	2013-04-20	C/P	=>	STRZ1	60.00	2013-04-20	C/P	
LMCA	65.00	2013-04-20	C/P	=>	STRZ1	65.00	2013-04-20	C/P	
LMCA	70.00	2013-04-20	C/P	=>	STRZ1	70.00	2013-04-20	C/P	
LMCA	75.00	2013-04-20	C/P	=>	STRZ1	75.00	2013-04-20	C/P	

EXISTING SERIES				ADJUSTED SERIES*			
LMCA	80.00	2013-04-20	C/P =>	STRZ1	80.00	2013-04-20	C/P
LMCA	85.00	2013-04-20	C/P =>	STRZ1	85.00	2013-04-20	C/P
LMCA	90.00	2013-04-20	C/P =>	STRZ1	90.00	2013-04-20	C/P
LMCA	95.00	2013-04-20	C/P =>	STRZ1	95.00	2013-04-20	C/P
LMCA	100.00	2013-04-20	C/P =>	STRZ1	100.00	2013-04-20	C/P
LMCA	105.00	2013-04-20	C/P =>	STRZ1	105.00	2013-04-20	C/P
LMCA	110.00	2013-04-20	C/P =>	STRZ1	110.00	2013-04-20	C/P
LMCA	115.00	2013-04-20	C/P =>	STRZ1	115.00	2013-04-20	C/P
LMCA	120.00	2013-04-20	C/P =>	STRZ1	120.00	2013-04-20	C/P
LMCA	125.00	2013-04-20	C/P =>	STRZ1	125.00	2013-04-20	C/P
LMCA	130.00	2013-04-20	C/P =>	STRZ1	130.00	2013-04-20	C/P
LMCA	135.00	2013-04-20	C/P =>	STRZ1	135.00	2013-04-20	C/P
LMCA	140.00	2013-04-20	C/P =>	STRZ1	140.00	2013-04-20	C/P
LMCA	145.00	2013-04-20	C/P =>	STRZ1	145.00	2013-04-20	C/P
LMCA	150.00	2013-04-20	C/P =>	STRZ1	150.00	2013-04-20	C/P
LMCA	155.00	2013-04-20	C/P =>	STRZ1	155.00	2013-04-20	C/P
LMCA	60.00	2013-07-20	C/P =>	STRZ1	60.00	2013-07-20	C/P
LMCA	65.00	2013-07-20	C/P =>	STRZ1	65.00	2013-07-20	C/P
LMCA	70.00	2013-07-20	C/P =>	STRZ1	70.00	2013-07-20	C/P
LMCA	75.00	2013-07-20	C/P =>	STRZ1	75.00	2013-07-20	C/P
LMCA	80.00	2013-07-20	C/P =>	STRZ1	80.00	2013-07-20	C/P
LMCA	85.00	2013-07-20	C/P =>	STRZ1	85.00	2013-07-20	C/P
LMCA	90.00	2013-07-20	C/P =>	STRZ1	90.00	2013-07-20	C/P
LMCA	95.00	2013-07-20	C/P =>	STRZ1	95.00	2013-07-20	C/P
LMCA	100.00	2013-07-20	C/P =>	STRZ1	100.00	2013-07-20	C/P
LMCA	105.00	2013-07-20	C/P =>	STRZ1	105.00	2013-07-20	C/P
LMCA	110.00	2013-07-20	C/P =>	STRZ1	110.00	2013-07-20	C/P
LMCA	115.00	2013-07-20	C/P =>	STRZ1	115.00	2013-07-20	C/P
LMCA	120.00	2013-07-20	C/P =>	STRZ1	120.00	2013-07-20	C/P
LMCA	125.00	2013-07-20	C/P =>	STRZ1	125.00	2013-07-20	C/P
LMCA	130.00	2013-07-20	C/P =>	STRZ1	130.00	2013-07-20	C/P
LMCA	135.00	2013-07-20	C/P =>	STRZ1	135.00	2013-07-20	C/P
LMCA	140.00	2013-07-20	C/P =>	STRZ1	140.00	2013-07-20	C/P
LMCA	145.00	2013-07-20	C/P =>	STRZ1	145.00	2013-07-20	C/P
LMCA	150.00	2013-07-20	C/P =>	STRZ1	150.00	2013-07-20	C/P
LMCA	155.00	2013-07-20	C/P =>	STRZ1	155.00	2013-07-20	C/P

**\*Any additional LMCA series that are added prior to the ex-date will also be adjusted in the manner described above.**

**New Unadjusted Series**

To facilitate the maintenance of a fair and orderly market in Starz Series A options, new STRZA series with a contract unit of 100 shares will be introduced on Tuesday, January 15, 2013. The

STRZA series will be added for February, March, April, and July expirations at exercise prices nearest the money.

### **Settlement Procedures**

The OCC will delay settlement of STRZ1 exercise and assignment activity until the end of "when issued" trading in Liberty Media Corporation Series A Liberty Capital ("LMCAV").

### **GTC Order Conversion**

On Friday, January 11, 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the LMCA order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

### **Order Entry After Adjustment**

In entering orders, it is essential for member firms to identify trades in old (adjusted) series with the option symbol STRZ1; trades in the new (unadjusted) Starz series must have the standard option symbol STRZA. Brokers should make certain that customers entering closing transactions describe the option series with the correct symbol. Negligence in this matter could lead customers to establish new positions in unadjusted series rather than closing out existing positions in adjusted series.

### **Position and Exercise Limits**

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this stock distribution will remain the same."

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Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>