

CBOE Research Circular #RS13-407

Date: July 17, 2013

To: Permit Holders

From: Scott Speer

RE: BioSante Pharmaceuticals, Inc. ("BPAX & adj. BPAX1")

1-for-6 Reverse Stock Split

Ex-Distribution Date: July 18, 2013

BioSante Pharmaceuticals, Inc. ("BPAX & adj. BPAX1") has announced a 1-for-6 reverse common stock split, in which each outstanding share of BPAX Common Stock will automatically be converted into one-sixth of a share (0.166666) of "New" BPAX Common Stock. The ex-date for the reverse common stock split is Thursday, July 18, 2013.

Please be aware that the adjusted BPAX1 option contract currently represents 16 shares of BPAX, plus \$1.91 cash and has a contract multiplier of 100. (See CBOE Research Circular #RS12-274, dated June 1, 2012, for more information on the adjusted BPAX1 option contract.)

In addition, on Thursday, July 18, 2013, the name and underlying symbol for BPAX will change to ANI Pharmaceuticals, Inc. ("ANIP")

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all BPAX & adj. BPAX1 options outstanding as of Thursday, July 18, 2013 shall be adjusted/further adjusted to reflect this 1-for-6 reverse common stock split as follows:

- A) All **BPAX** options will be adjusted to require the receipt or delivery of: **(A) 16 shares of ANI Pharmaceuticals, Inc. ("ANIP") Common Stock; plus (B) cash in lieu of 0.6666 ANIP share.** Strike prices will remain the same. The option symbol will change to **ANIP2.** Premiums for the adjusted ANIP2 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.

- B) The previously adjusted **BPAX1** series will be further adjusted to require the per-contract delivery or receipt of the following: **(A) 2 shares of ANI Pharmaceuticals, Inc. ("ANIP") Common Stock; plus (B) \$1.91 cash; plus (C) cash in lieu of 0.6667 ANIP share.** The BPAX1 option symbol will change to ANIP1. Premiums and strike-price amounts for the further adjusted ANIP1 option 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.]

The option adjustment will appear in the Daily Position Report of the clearing member firms on the ex-date. After 8:30 A.M. Thursday, July 18, 2013, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Thursday, July 18, 2013, the ex-distribution date, trading in BPAX & adj. BPAX1 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				
BPAX	1.00	2013-07-20	C/P	=>	ANIP2	1.00	2013-07-20	C/P
BPAX	2.00	2013-07-20	C/P	=>	ANIP2	2.00	2013-07-20	C/P
BPAX	3.00	2013-07-20	C/P	=>	ANIP2	3.00	2013-07-20	C/P
BPAX	4.00	2013-07-20	C/P	=>	ANIP2	4.00	2013-07-20	C/P
BPAX	6.00	2013-07-20	C/P	=>	ANIP2	6.00	2013-07-20	C/P
BPAX	1.00	2013-08-17	C/P	=>	ANIP2	1.00	2013-08-17	C/P
BPAX	2.00	2013-08-17	C/P	=>	ANIP2	2.00	2013-08-17	C/P
BPAX	3.00	2013-08-17	C/P	=>	ANIP2	3.00	2013-08-17	C/P
BPAX	4.00	2013-08-17	C/P	=>	ANIP2	4.00	2013-08-17	C/P
BPAX	6.00	2013-08-17	C/P	=>	ANIP2	6.00	2013-08-17	C/P
BPAX	7.00	2013-08-17	C/P	=>	ANIP2	7.00	2013-08-17	C/P
BPAX	8.00	2013-08-17	C/P	=>	ANIP2	8.00	2013-08-17	C/P
BPAX	9.00	2013-08-17	C/P	=>	ANIP2	9.00	2013-08-17	C/P
BPAX	1.00	2013-09-21	C/P	=>	ANIP2	1.00	2013-09-21	C/P
BPAX	2.00	2013-09-21	C/P	=>	ANIP2	2.00	2013-09-21	C/P
BPAX	3.00	2013-09-21	C/P	=>	ANIP2	3.00	2013-09-21	C/P
BPAX	1.00	2013-12-21	C/P	=>	ANIP2	1.00	2013-12-21	C/P
BPAX	2.00	2013-12-21	C/P	=>	ANIP2	2.00	2013-12-21	C/P
BPAX	3.00	2013-12-21	C/P	=>	ANIP2	3.00	2013-12-21	C/P
BPAX	1.00	2014-01-18	C/P	=>	ANIP2	1.00	2014-01-18	C/P
BPAX	2.50	2014-01-18	C/P	=>	ANIP2	2.50	2014-01-18	C/P
BPAX	4.00	2014-01-18	C/P	=>	ANIP2	4.00	2014-01-18	C/P
BPAX	5.00	2014-01-18	C/P	=>	ANIP2	5.00	2014-01-18	C/P
BPAX	7.50	2014-01-18	C/P	=>	ANIP2	7.50	2014-01-18	C/P
ADJUSTED SERIES				FURTHER ADJUSTED SERIES				
BPAX1	0.50	2014-01-18	C/P	=>	ANIP1	0.50	2014-01-18	C/P
BPAX1	1.00	2014-01-18	C/P	=>	ANIP1	1.00	2014-01-18	C/P
BPAX1	1.50	2014-01-18	C/P	=>	ANIP1	1.50	2014-01-18	C/P
BPAX1	2.00	2014-01-18	C/P	=>	ANIP1	2.00	2014-01-18	C/P
BPAX1	2.50	2014-01-18	C/P	=>	ANIP1	2.50	2014-01-18	C/P
BPAX1	3.00	2014-01-18	C/P	=>	ANIP1	3.00	2014-01-18	C/P
BPAX1	4.00	2014-01-18	C/P	=>	ANIP1	4.00	2014-01-18	C/P

Settlement

The OCC will delay settlement of ANIP1/ANIP2 exercise and assignment activity until the determination of the cash-in-lieu amount for 0.6666 fractional "New" ANIP share.

GTC Order Conversion

On Wednesday, July 17 2013, immediately after the CBOE close, the system will convert or cancel all resting orders in the BPAX/BPAX1 order books. 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 adjustments. 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.

Position and Exercise Limits

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

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>