

# CORPORATE EVENTS

**MEMO # 08-108**

**DATE: 05/29/08**

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**ACTION:**

On May 29, 2008, Shareholders of The Bear Stearns Companies Inc. ("BSC") voted and approved the proposed merger with JPMorgan Chase & Co. ("JPM"). Each existing BSC Common Share will be converted into the right to receive .21753 JPM Common Shares. Cash will be paid in lieu of fractional JPM shares.

This corporate event will be coordinated with the Options Clearing Corporation.

**CATEGORY:**

Merger Adjustment

**EQUITY SYMBOL:**

BSC (The Bear Stearns Companies Inc.)

**ONECHICAGO SYMBOL:**

BSC1C changes to BSC2C; a new BSC1C will not be re-listed

**CME FUTURES SYMBOL:**

**BS2** for the BSC2C

**EFFECTIVE DATE:**

**Friday, May 30, 2008**

**MULTIPLIER:**

100 (e.g., 1.00 equals \$100.00)

**NEW DELIVERABLE PER CONTRACT:**

1) 21 JPMorgan Chase & Co. ("JPM") Common Shares  
2) Cash in lieu of .753 fractional JPM Shares\*

\*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.

**APPLICABLE CONTRACT MONTHS:**

June, July, September, and December 2008

**SETTLEMENT PRICES AND POSITIONS:**

The underlying price for BSC2C will be determined as follows:

$BSC2C = .21(JPM) + \text{cash for } .753 \text{ JPM shares}$

Please note that the valuation would apply only to the BSC2C 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.

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**NOTES:**

The forecasted effect of the upcoming corporate event on each clearing firm's positions can be viewed in infopac in the Corporate Event Initial Forecast Report (ONE712), the Corporate Event Final Forecast Report (ONE713), and the Corporate Event Forecast Audit Report (CPDBU710).

The details after the corporate event has been applied can be viewed in the Corporate Event Activity Report (ONE711).

If you have any questions regarding the information provided in the document, please call CME Clearing risk management hotline at (312) 648-3888.