

# CORPORATE EVENTS

MEMO # 06-281

DATE: 11/17/06

**ACTION:**

Verizon Communications, Inc. (VZ) has announced a distribution of Idearc, Inc. (IAR) common stock. **The effective date is November 20, 2006.** This corporate action is being coordinated with the Options Clearing Corporation.

**CATEGORY:**

Contract Adjustment

**EQUITY SYMBOL:**

VZ (Verizon Communications, Inc.)

**ONECHICAGO SYMBOL:**

VZ1C changes to VZ2C  
VZ1C will be re-listed on Tuesday, November 21, 2006 with standard 100 share contract specifications.

**CME FUTURES SYMBOL:**

VZ changes to VZ2  
VZ will be re-listed on Tuesday, November 21, 2006 with standard 100 share contract specifications

**NUMBER OF CONTRACTS:**

No Change

**EFFECTIVE DATE:**

Contract adjustment effective on November 20, 2006.

**MULTIPLIER:**

100 multiplier will remain the same.

**DELIVERABLE PER CONTRACT:**

- 1) 100 Verizon Communications, Inc. (VZ) common shares
- 2) 5 Idearc (IAR) common shares

**APPLICABLE CONTRACT MONTHS:**

December, March, and June 2007

**SETTLEMENT PRICES AND POSITIONS:**

The underlying price for the VZ2C futures contract deliverable, expressed in terms of current market value, would be calculated as follows:

$$VZ2C = VZ + 0.05(IAR)$$

Please note that the valuation would apply only to the VZ2C 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, adjustments for dividends, and other factors.

**BACKGROUND:**

Verizon Communications, Inc. (VZ) has announced a distribution of Idearc, Inc. (IAR) common stock. The distribution ratio is 0.05 IAR common shares for each VZ common share. The record date is November 1, 2006 and the mail date is November 17, 2006. The New York Stock Exchange (NYSE) has set November 20, 2006 as the ex-distribution date.

The NYSE has determined due-bills for the IAR distribution must accompany each VZ share delivered after November 1, 2006 in settlement of VZ transactions made prior to the ex-distribution date.

Idearc, Inc. (IAR) common stock commenced trading "when-distributed" on the NYSE on November 2, 2006, under the symbol "IAR WI".

**NOTES:**

This corporate event on each clearing firms' 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).

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