

CORPORATE EVENTS

MEMO # 10-281

DATE: 7/1/10

ACTION:

Verizon Communications Inc. (VZ) has announced that it will spin off shares of its subsidiary, New Communications Holdings Inc. (SPINCO), which will simultaneously merge into Frontier Communications Corporation (FTR). VZ Common Shareholders will be entitled to receive the Frontier Communications Corporation (FTR) merger consideration Common Shares. The distribution ratio is approximately .238 FTR Common Shares per VZ Common Share. The record date is June 7, 2010; the mail date is July 7, 2010. The New York Stock Exchange (NYSE) has set July 2, 2010 as the exdistribution of the distribution. The NYSE has determined due-bills for the FTR distribution must accompany each VZ Share delivered after June 7, 2010 in settlement of VZ transactions made prior to the ex-date. Frontier Communications Corporation Common Shares are currently trading when issued on the NYSE under the symbol FTR WI.

This action will be coordinated with the Options Clearing Corporation.

CATEGORY:

Stock Distribution

EQUITY SYMBOL:

Verizon Communications Inc. (VZ)

ONE CHICAGO SYMBOL:

VZ1C will change to **VZ2C**

CME FUTURES SYMBOL:

VZ for the re-listed VZ1C; **VZ8** for the VZ2C

MULTIPLIER:

No change

EFFECTIVE DATE:

Friday, July 2, 2010

NEW DELIVERABLE PER CONTRACT:

For the VZ2C:

- 1) 100 Verizon Communications Inc. (VZ) Common Shares
- 2) Approximately 23 Frontier Communications Corporation (FTR) Common Shares
- 3) Cash in lieu of approximately .8 fractional FTR shares

For the re-listed VZ1C:

100 Verizon Communications Inc. (VZ) Common Shares

APPLICABLE CONTRACT MONTHS:

July, August, September, December 2010

SETTLEMENT PRICES AND POSITIONS:

VZ2C = VZ + approximately .23 (FTR) + cash in lieu of approximately .8 FTR

NOTES:

The forecasted effect of the upcoming 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 CME Clearing risk management hotline at (312) 648-3888.